



'24

# Capital Markets Day

21.08.2024  
CCI Auditorium

# Forward Looking Statements



This presentation includes forward-looking statements including, but not limited to, statements regarding Coca-Cola İçecek's ("CCI") plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements can generally be identified by the use of words such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "target," "believe" or other words of similar meaning. These forward-looking statements reflect the current views and assumptions of management and are inherently subject to significant business, economic and other risks and uncertainties. Although management believes the expectations reflected in the forward-looking statements are reasonable, at this time, you should not place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from CCI's expectations include, without limitation: changes in CCI's relationship with The Coca-Cola Company and its exercise of its rights under our bottler's agreements; CCI's ability to maintain and improve its competitive position in its markets; CCI's ability to obtain raw materials and packaging materials at reasonable prices; changes in CCI's relationship with its significant shareholders; the level of demand for its products in its markets; fluctuations in the value of the Turkish Lira or the level of inflation in Türkiye; other changes in the political or economic environment in Türkiye or CCI's other markets; adverse weather conditions during the summer months; changes in the level of tourism in Türkiye; CCI's ability to successfully implement its strategy; and other factors. Should any of these risks and uncertainties materialize, or should any of management's underlying assumptions prove to be incorrect, CCI's actual results from operations or financial conditions could differ materially from those described herein as anticipated, believed, estimated or expected. Forward-looking statements speak only as of this date and CCI has no obligation to update those statements to reflect changes that may occur after that date.

# Important Disclaimer



Based on the CMB's decision dated 28 December 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies" published by the POA with the announcement made on 23 November 2023, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2023.

As of June 30, 2024, an adjustment has been made in accordance with the requirements of TAS 29 ("Financial Reporting in High Inflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TAS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TUIK").

The relevant figures for the previous reporting period are rearranged by applying the general price index so that comparative financial statements are presented in the unit of measurement valid at the end of the reporting period. Information disclosed for previous periods is also presented in the measurement unit valid at the end of the reporting period.

However, certain items from our financials are also presented without inflation adjustment for information purposes in order to give an idea of our performance relative to our 2024 forecasts, which we announced at the beginning of the year and which we stated were based on the financials without inflation adjustment. These unaudited figures are clearly labelled where relevant. All financial figures without such disclosure are reported in accordance with TAS29.



# Karim Yahya

CEO

## Experience



Sep'23 - Present  
**Chief Executive Officer**  
Mar'23 - Aug'23  
**Deputy Chief Executive Officer**



July'21 - Feb'23  
**Chief Operating Officer at Fairlife**  
Jan'19 - Jul'21  
**Vice President, Strategy - Global**  
Sep'16 - Dec'18  
**Vice President, Growth - Latin America**  
Jun'12 - Aug'16  
**Chief Financial Officer - Türkiye,  
Caucasus & Central Asia**  
Dec'10 - May'12  
**Mergers & Acquisitions  
Manager - Global**

## Education

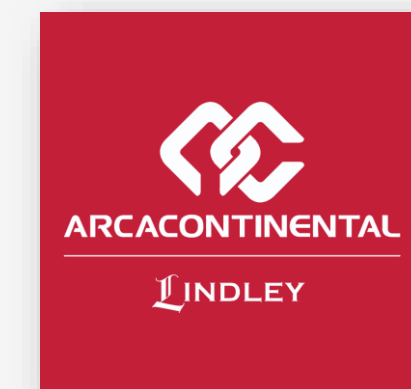


1997  
**Masters, Audit**

## Board Memberships



Apr '17 - Apr '18  
**Coca-Cola Andina**



Jan '17 - Sep '18  
**Arca Continental  
Lindley**



# 2024 FY GUIDANCE

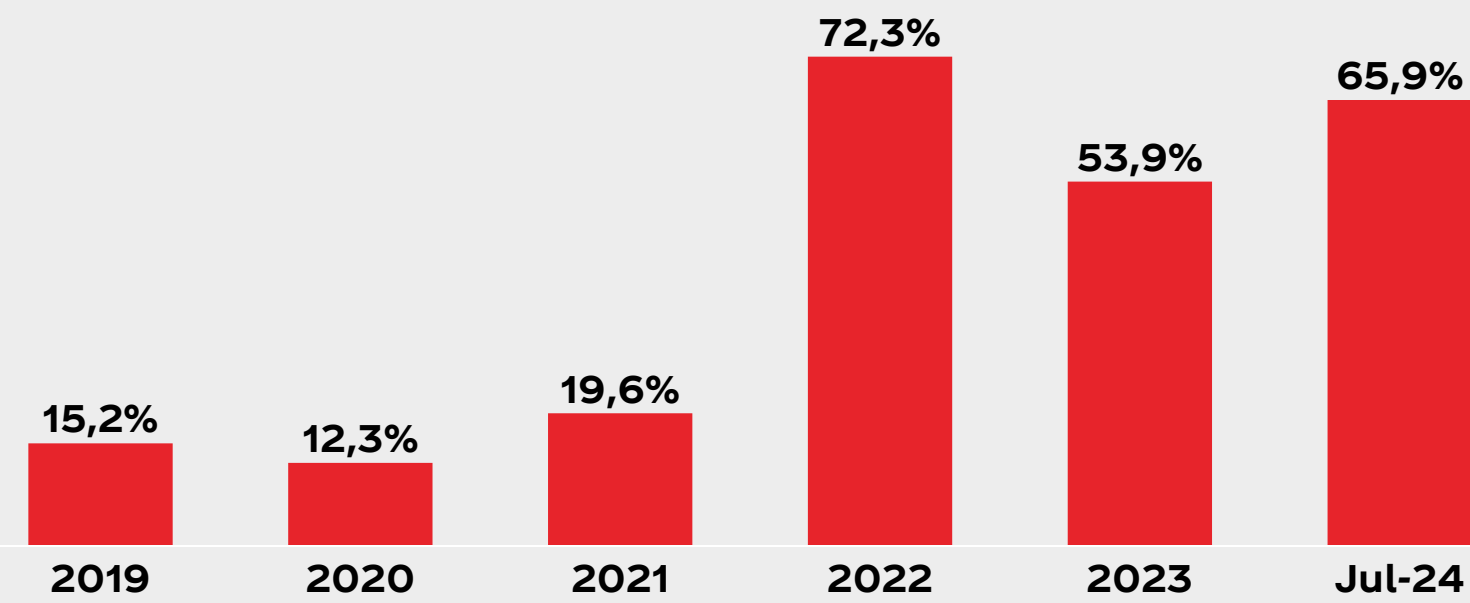
# Challenging Context

Purchasing Power and Consumer Confidence are Under Pressure

## Lingering Economic Challenges

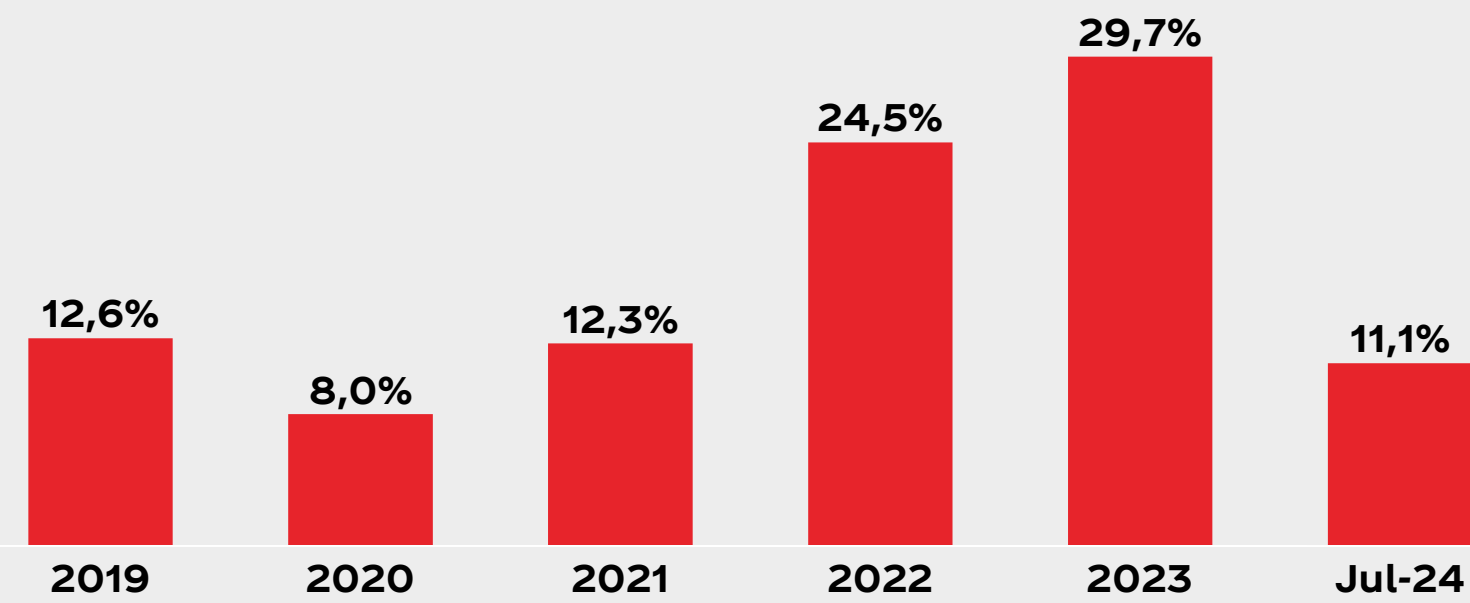
Life is 7x and 2.5x pricier in TR and PK, respectively vs '18

### Türkiye



Source: Turkstat

### Pakistan

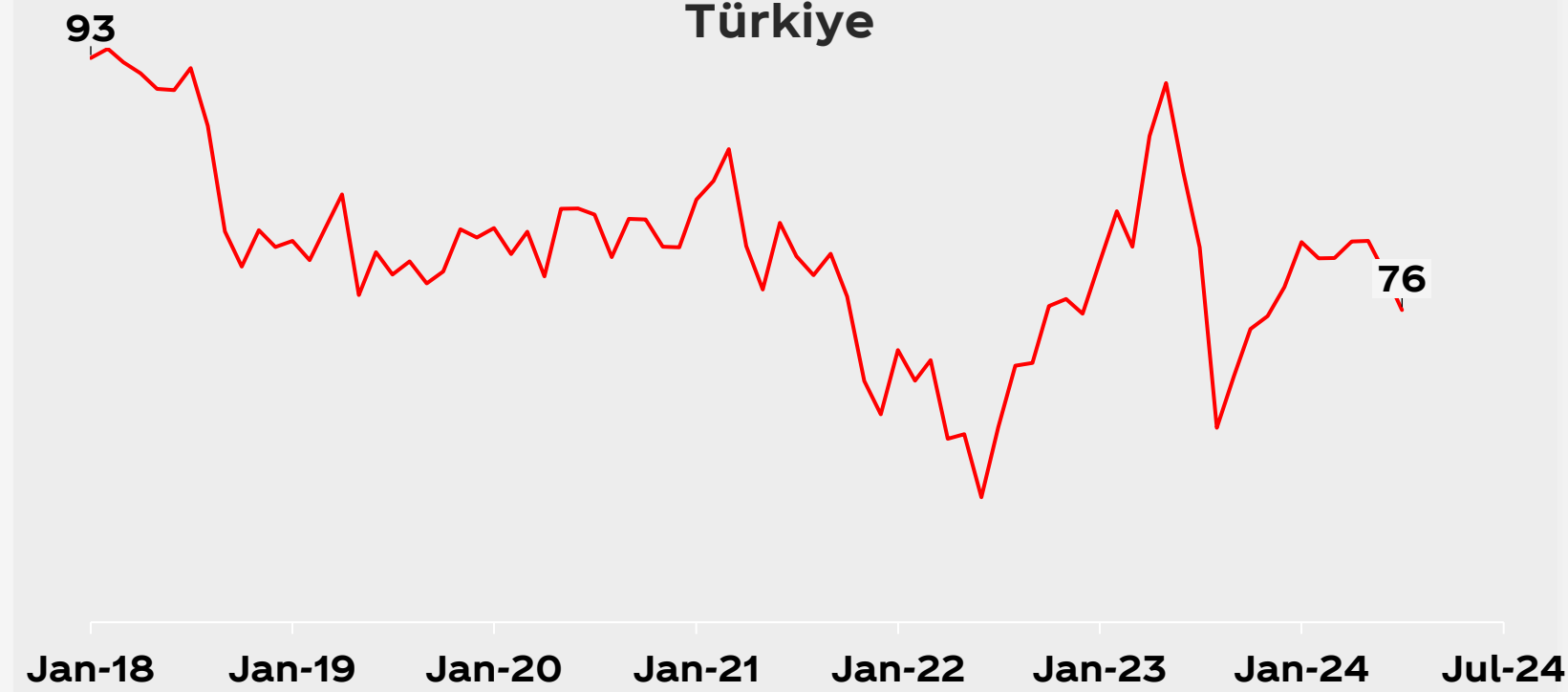


Source: State Bank of Pakistan

## Tangible Pressure on Consumer

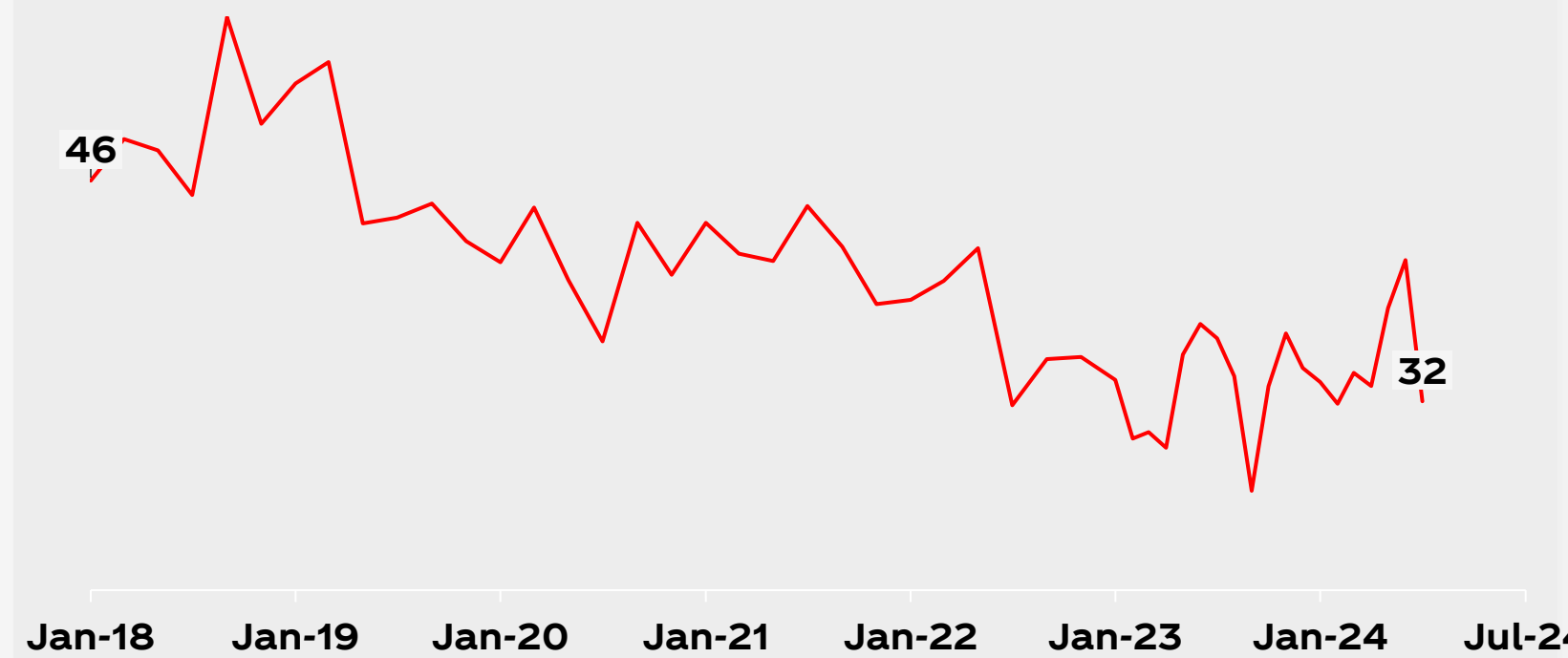
Consumer confidence index declining

### Türkiye



Source: Turkstat

### Pakistan



Source: State Bank of Pakistan

## On-going Conflict in the Middle East



# 2024 Guidance *Revised*

## From

Mid single-digit volume growth on a consolidated basis:

- Mid-single digit growth *in Türkiye*
- Mid-single digit growth in *international*

### Sales Volume



## To

Flat-to-Low single-digit volume growth on a consolidated basis:

- Low-to-Mid-single digit growth *in Türkiye*
- Low-single digit volume decline in *international*

Low 40s percentage FX-neutral NSR growth

### Net Sales Revenue

Consolidated



~30s percentage FX-neutral NSR growth

Flat vs previous year

### EBIT Margin



Slight decline-to-Flat vs previous year

*The forward looking guidance is given on an organic basis and without any potential impact from the implementation of TAS 29 (Financial Reporting in Hyperinflationary Economies) and may change as per TAS 29. In order to provide a comparison with our previously shared guidance on Jan 8<sup>th</sup> 2024, we again release the guidance based on historical figures (i.e. without TAS 29).*




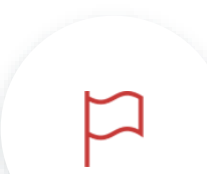










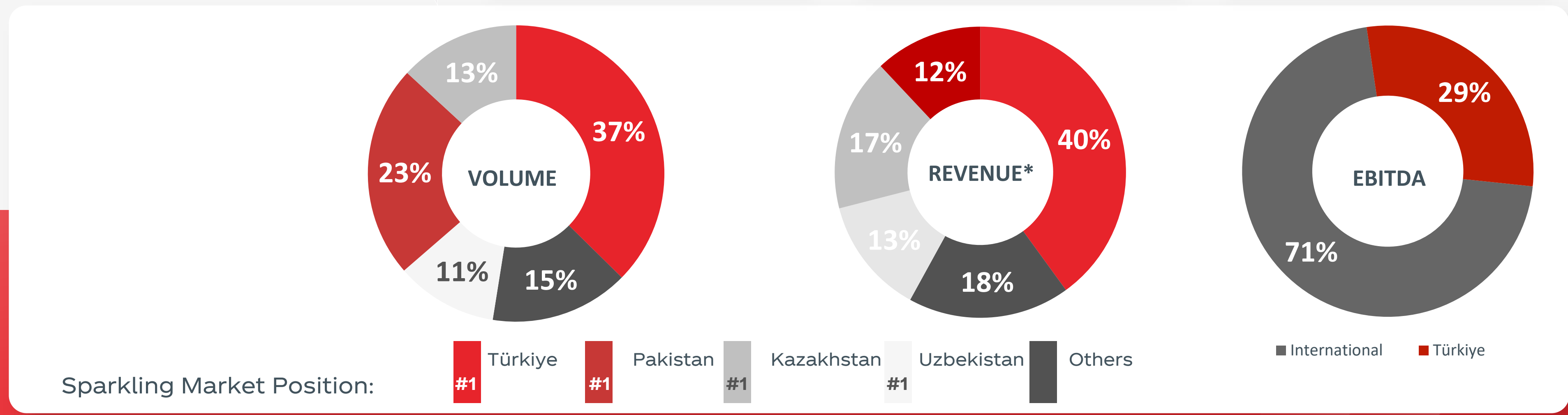
# WHO WE ARE



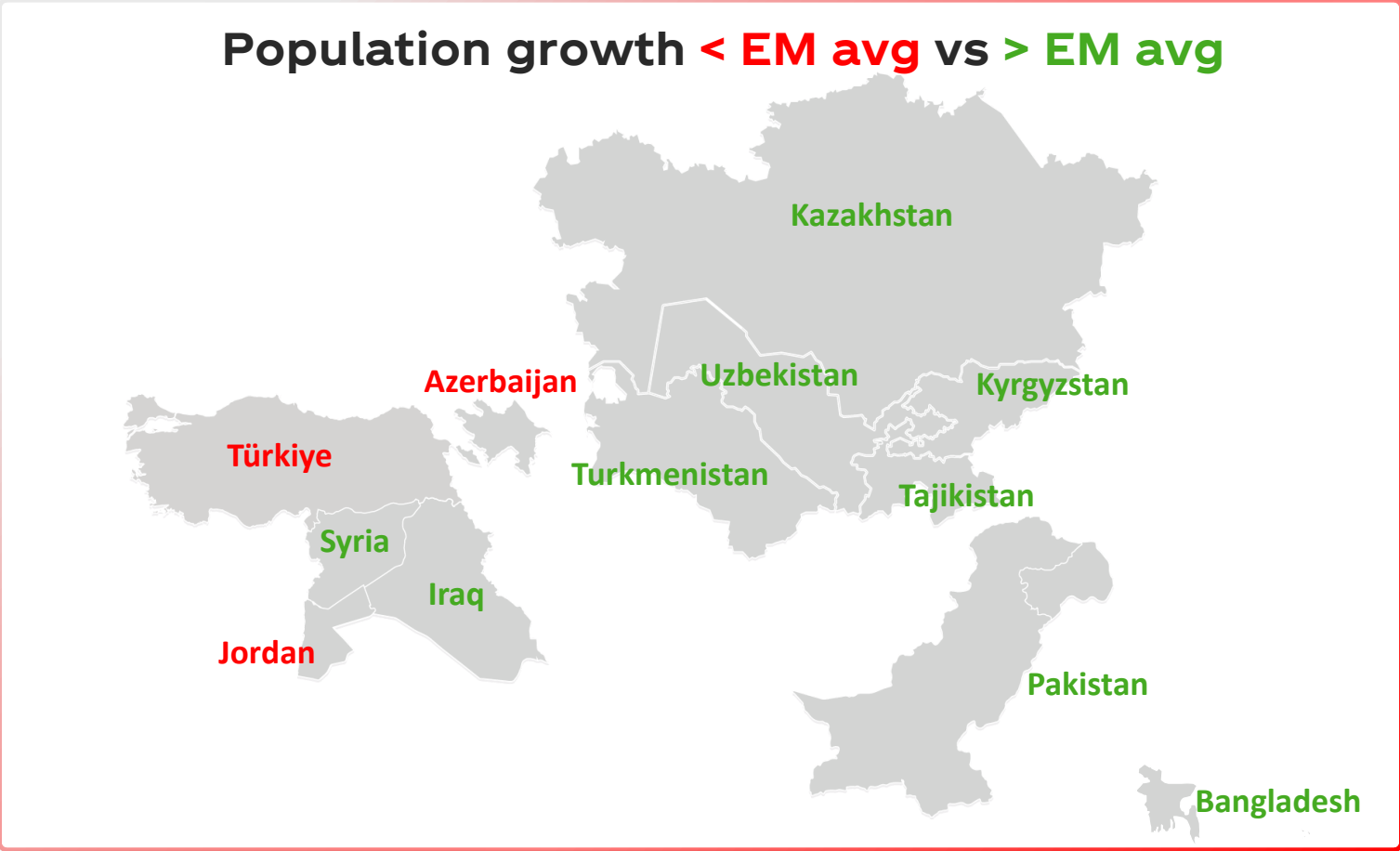
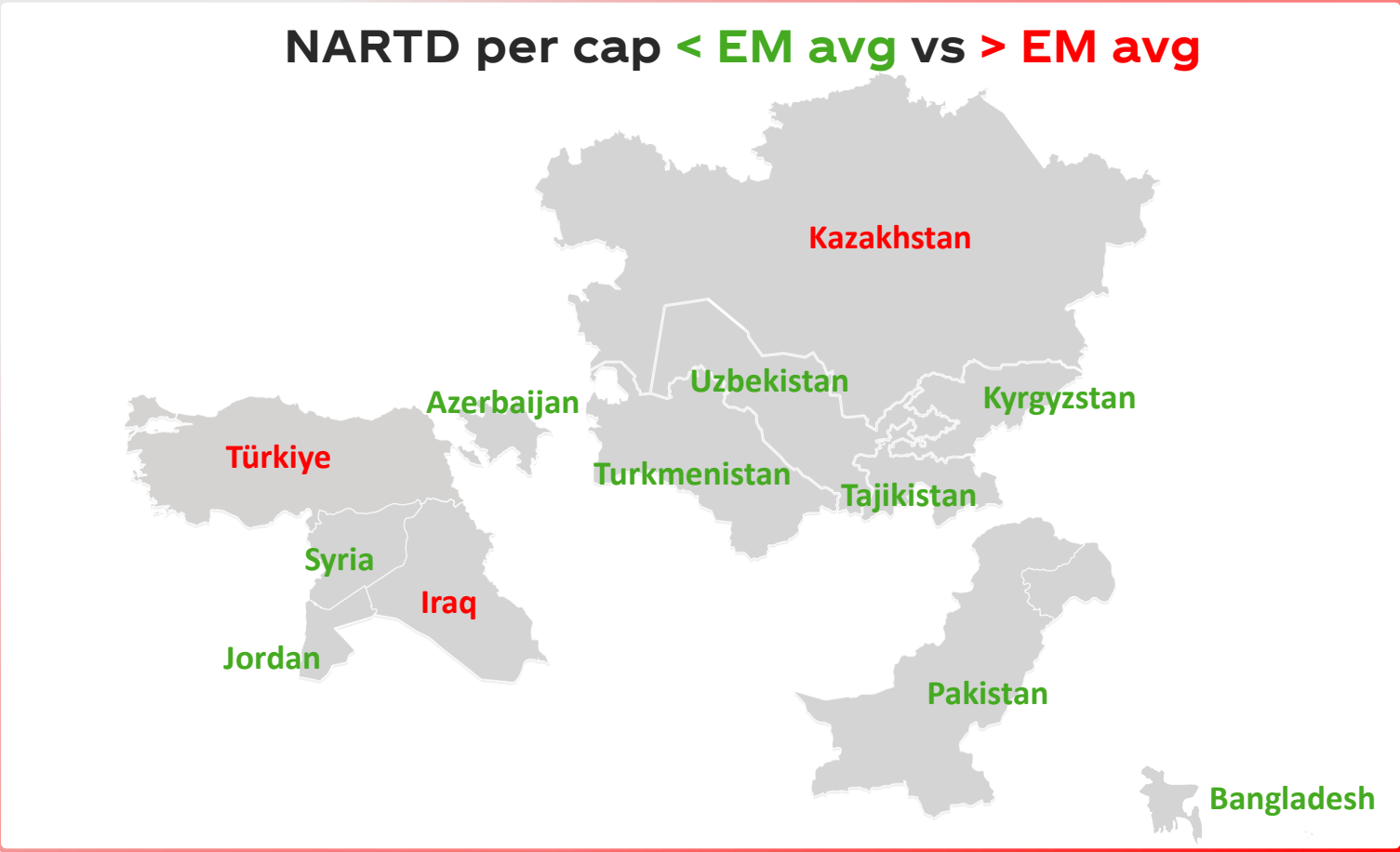
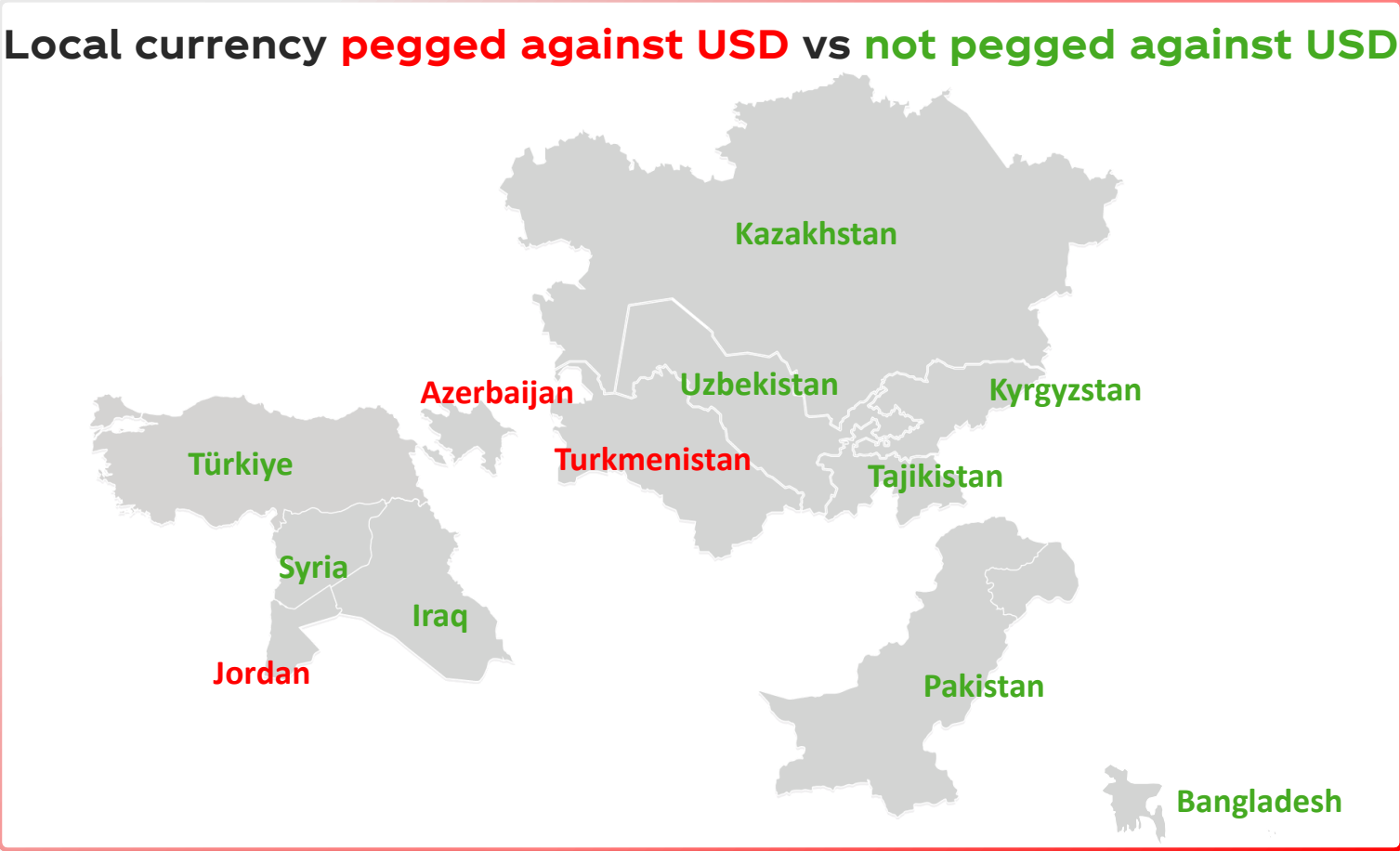
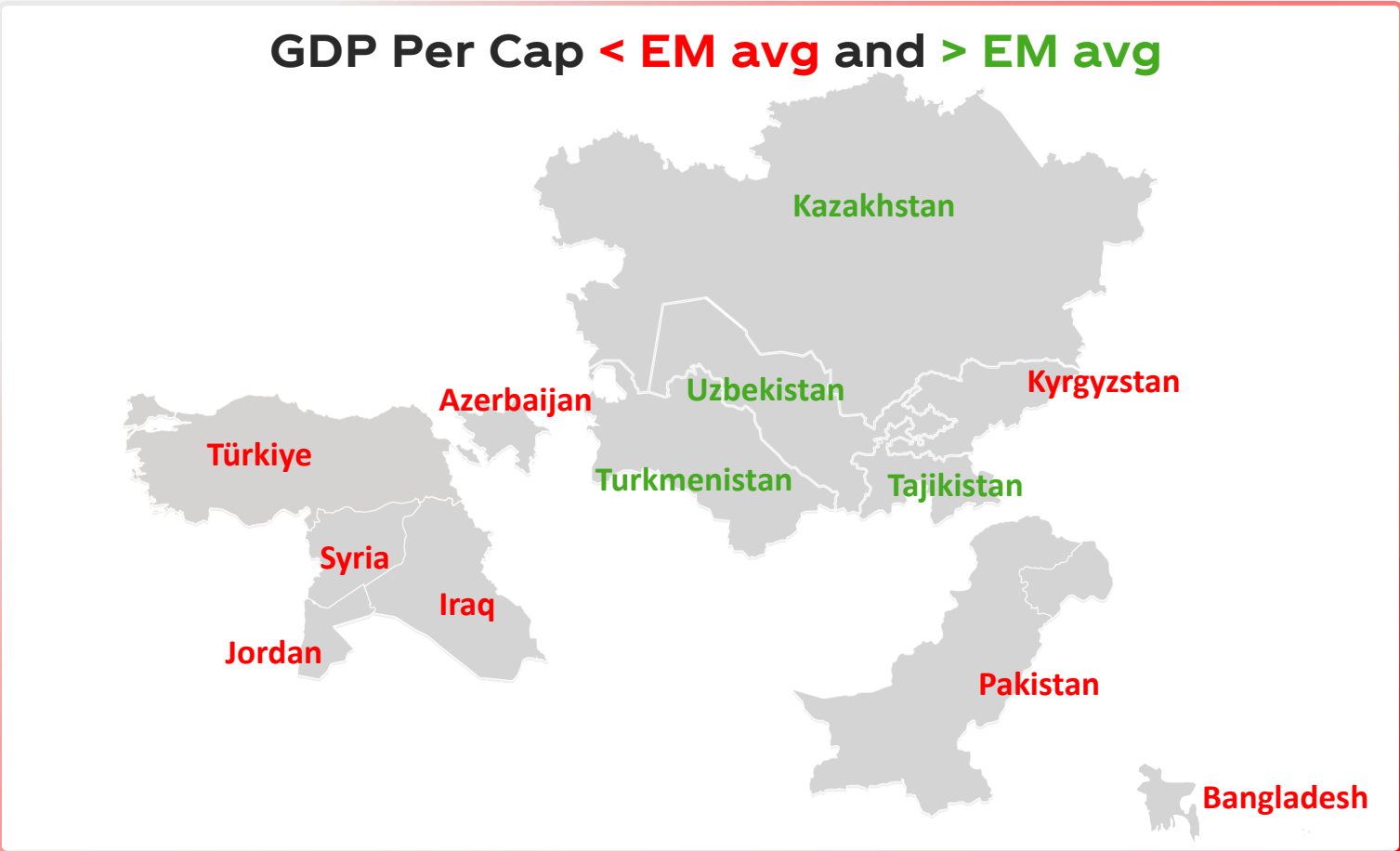
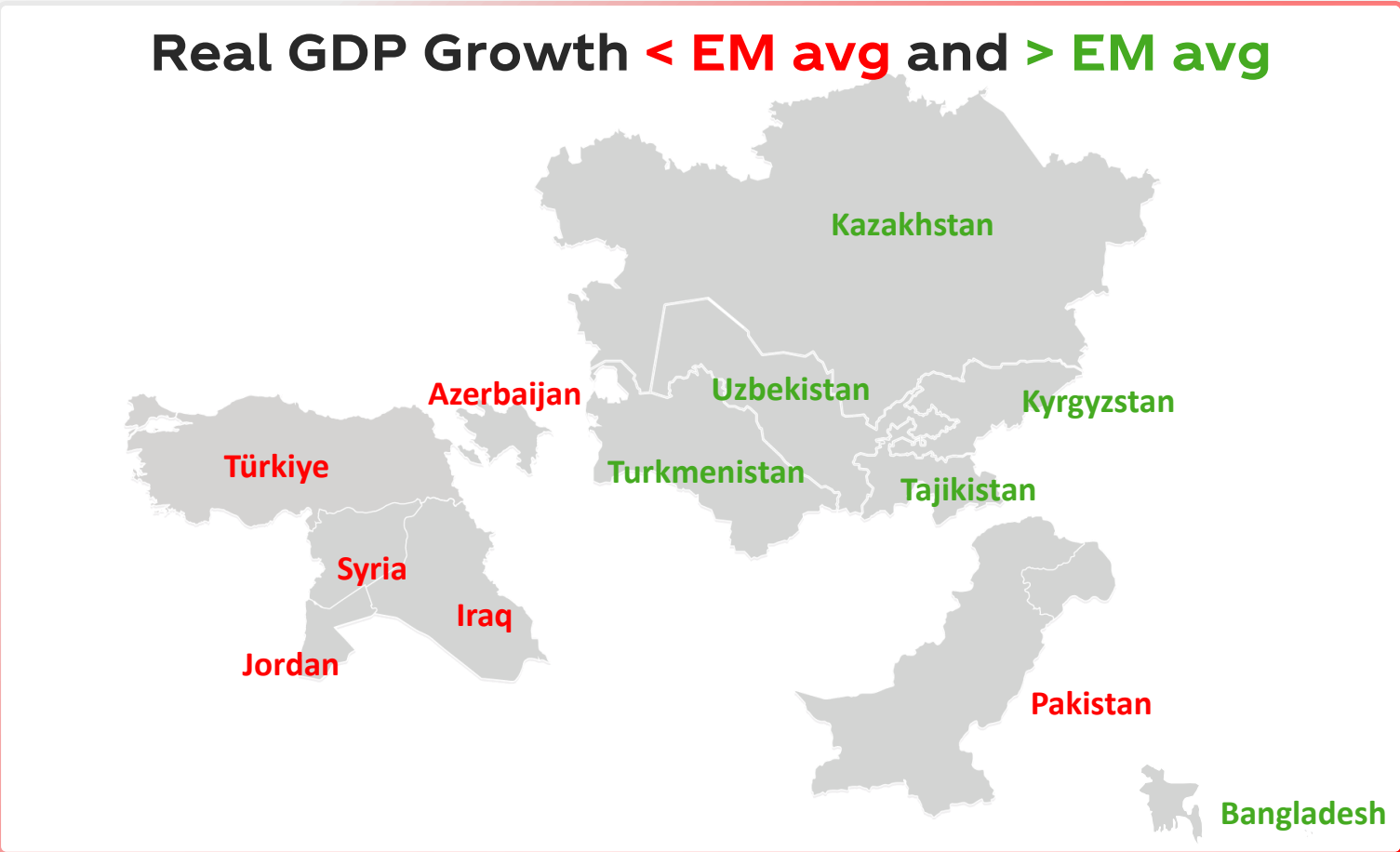
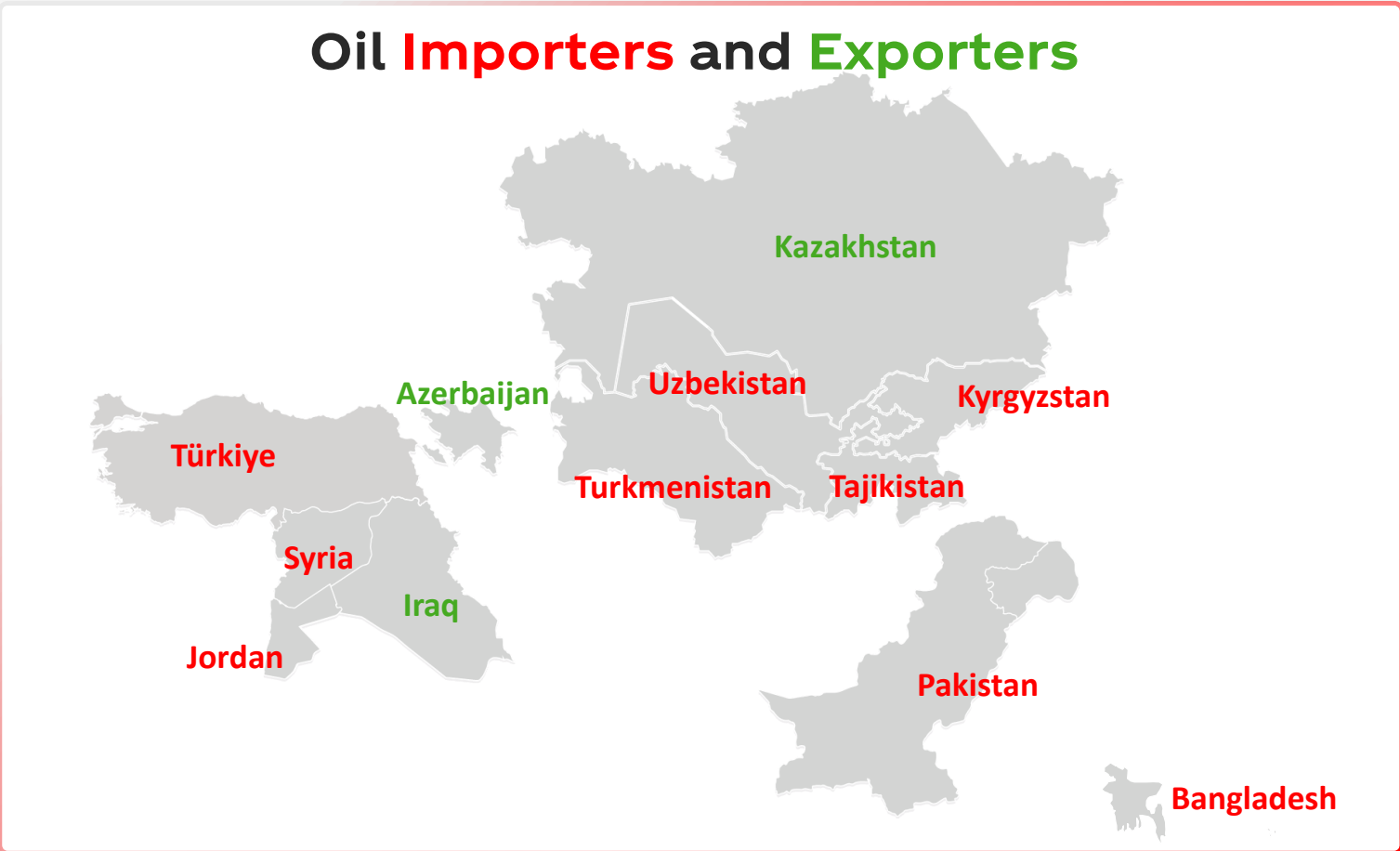
# We are a Multinational Beverage Company...



 1.5BN UC Sales Volume	 \$4.2BN Revenue	 \$762MN EBITDA
 12 Countries	 ~600Million People	 10,000+ Employee
 33 Production Plants	 3 Fruit Processing Plants	 2.08BN UC Annual Production Capacity
 155 Lines	 ~1.2 Million Points of Sale	 25+ Brands



# ...With a Diversified Country Portfolio Creating Natural Hedge



# WHAT WE DO



# We Have a Two-Pillar Growth Strategy

Balanced Organic Growth

Grow Core



**Sharpen**

Inorganic Growth

New Categories & Countries



**Expand**

**Quality Growth Is Our North Star: EBIT > Revenue > Transaction > Volume**

# +\$25BN NARTD Value Growth Opportunity...

## Industry Value Growth

**+\$25BN**    **14% CAGR**

2023 - 2028E



Source: GlobalData (Industry Estimates); CCI&TCCC Assumptions (Category Shares), Currency Neutral  
 \* NARTD includes Sparkling, Juices, Packaged Water, RTD Tea & Energy Drinks

## Total NARTD Industry In CCI Countries

**\$26.9BN** (2023)

### NARTD

27%

### SPARKLING

49%

### STILLS

11%

### WATER

5%

■ CCI Value Share

■ Opportunity



# ...With Strong Addressable Per Cap Consumption Growth Potential



Turkiye



CCI per cap

154



Industry per cap

557



Non-Commercial per cap

2,637



Pakistan



CCI per cap

36



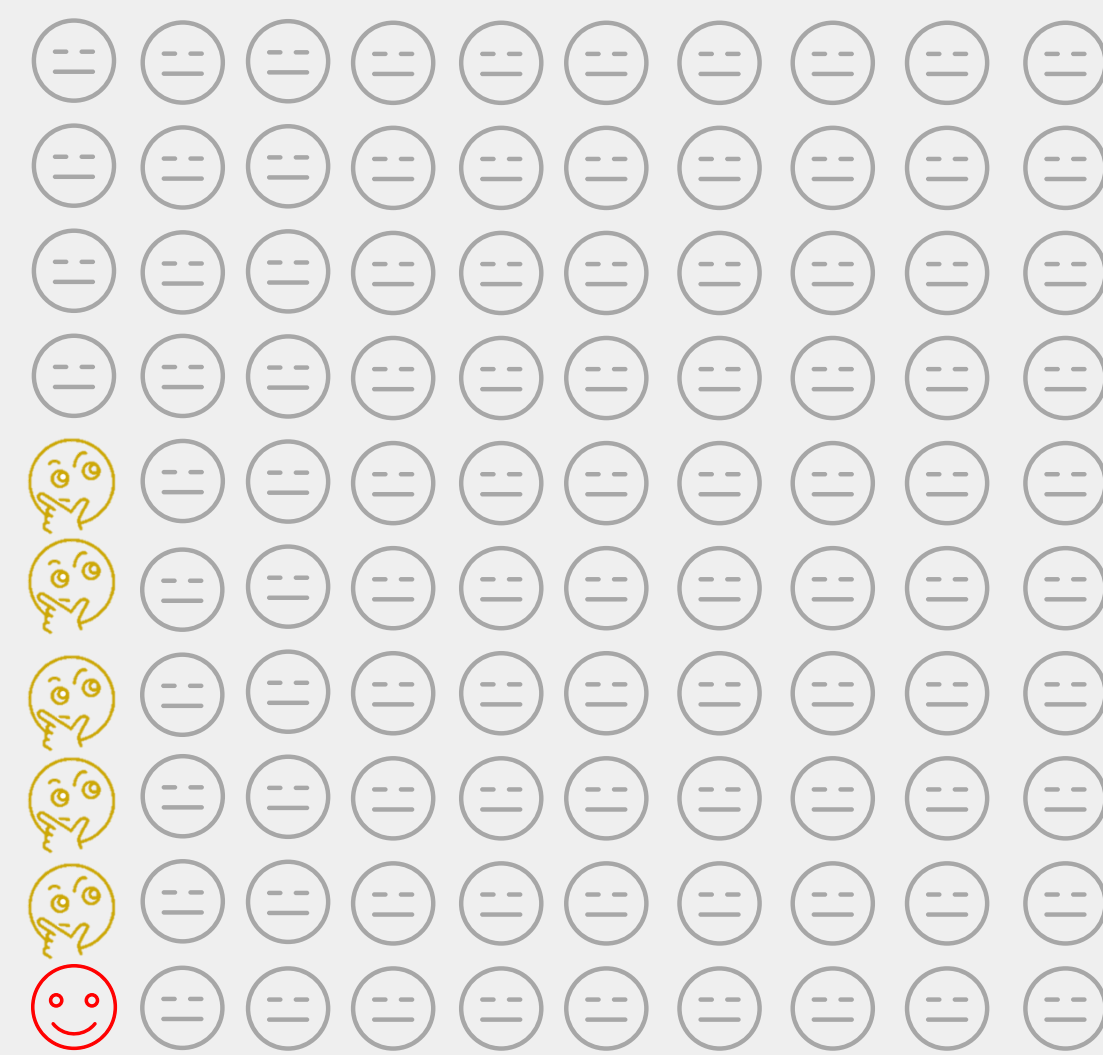
Industry per cap

134



Non-Commercial per cap

2,519



Kazakhstan



CCI per cap

236



Industry per cap

768



Non-Commercial per cap

2,250



Iraq



CCI per cap

59



Industry per cap

585



Non-Commercial per cap

2,375



Source: GlobalData (Industry Estimates), IHS Markit (Population), CCI Volume, TCCC; All figures as of 2023

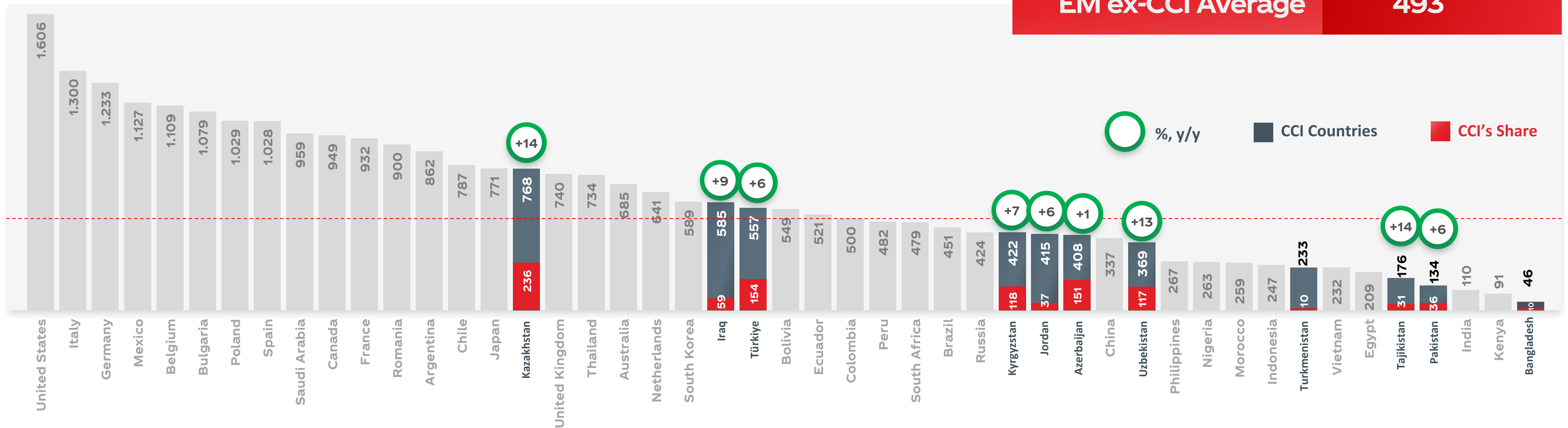
Per cap per year in terms of number of 8-ounce servings

- NARTD includes Sparkling, Juices, Packaged Water, RTD Tea & Energy Drinks, Iced & RTD tea and coffee, Sports drinks
- Non-Commercial beverages include: tap water, home-made non-alcoholic beverages and N-RTD
- N-RTD Beverages include not-ready-to-drink tea leaves, coffee beans to be brewed



# Our Markets Have a Low Penetration of Beverage Industry...

NARTD per cap\*



CCI Average

407 +8% y/y

DM Average

978

EM ex-CCI Average

493

Source: GlobalData (Industry Estimates), 2023 Forecast; IHS Markit (Population); CCI Volume; All figures as of 2023  
 \* NARTD includes Sparkling, Juices, Packaged Water, RTD Tea & Energy Drinks; Per cap per year in terms of number of 8-ounce servings

# ...And Quality Growth Headroom with Mix Management Opportunities

## Category Mix



**Diversify  
Product  
Portfolio**

## Package Mix



**Increase the  
Share of IC  
Packs**

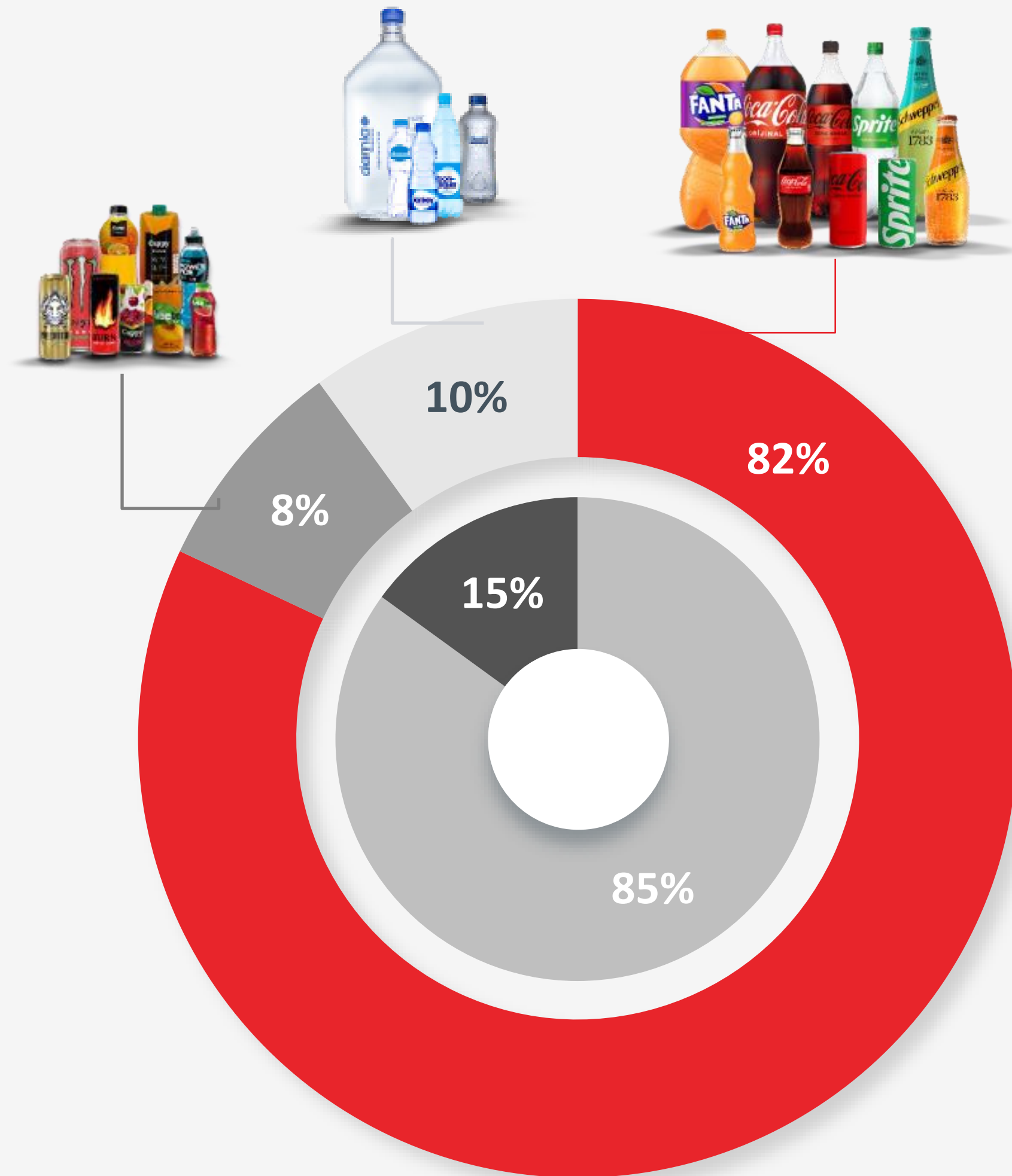
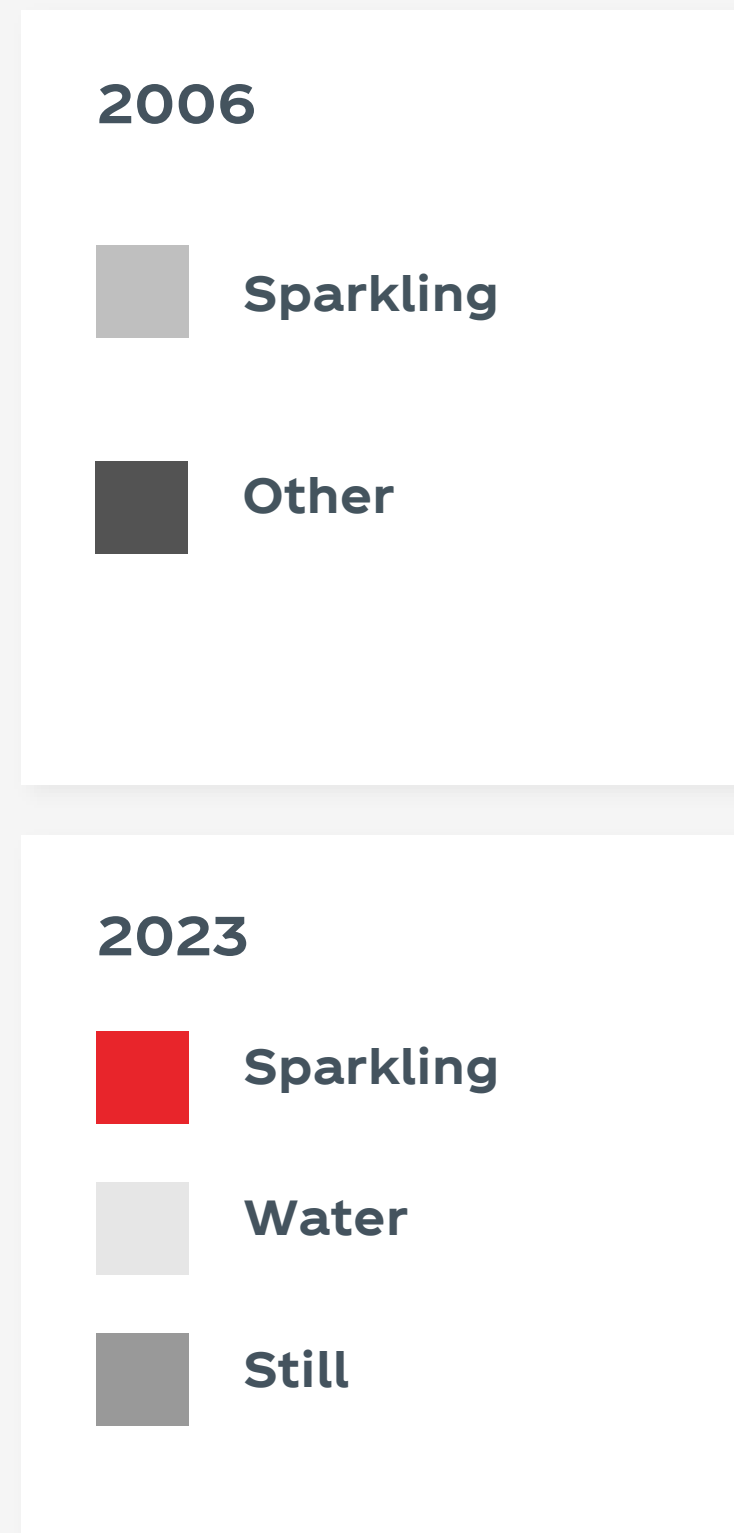
## Channel Mix



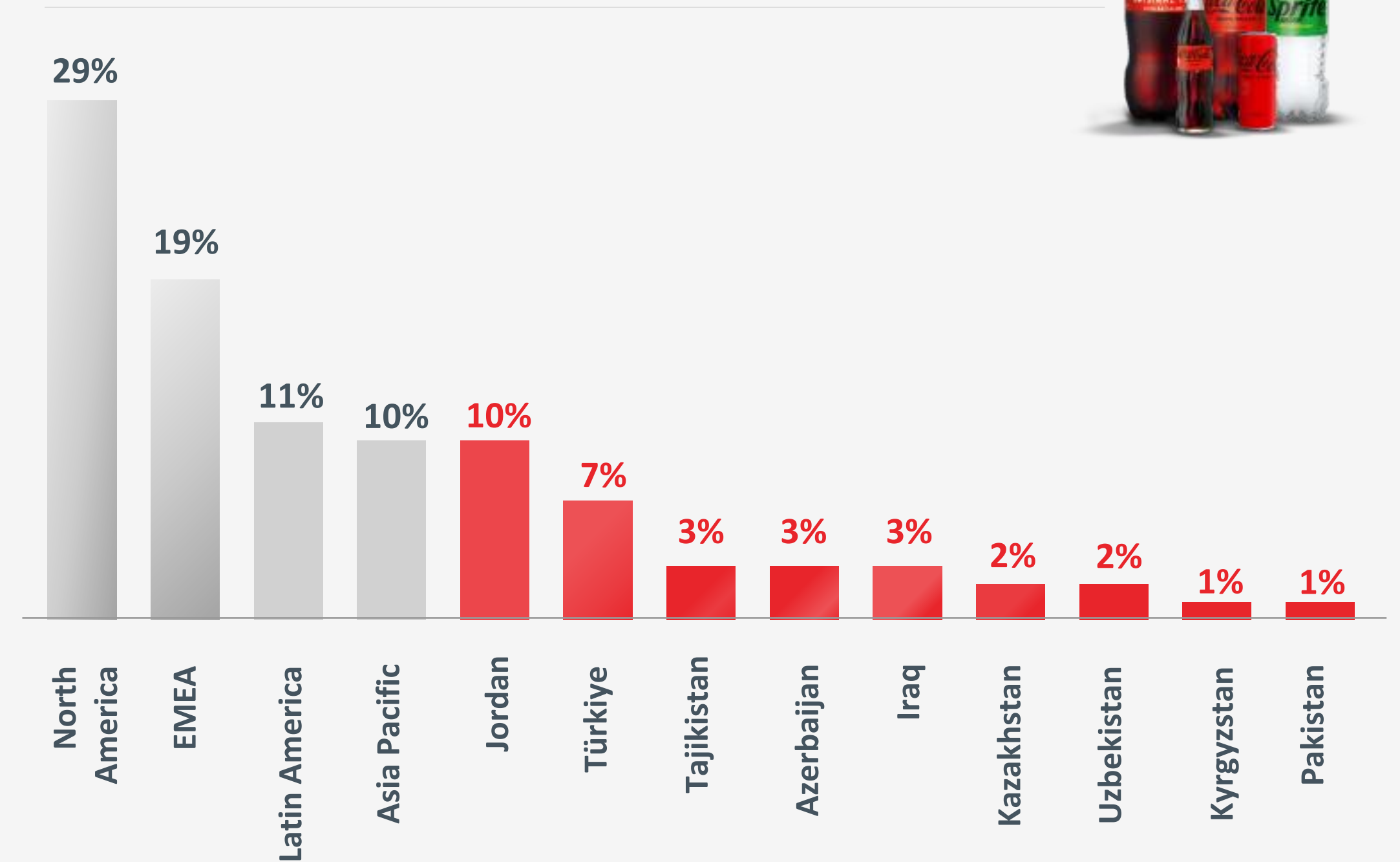
**Win with  
Customers**

# 1. Opportunity to Diversify Product Portfolio

## Category Breakdown



Share of No Calorie in Sparkling Volume (2023)



Increasing Household Penetration

Resilient Growth in No Sugar

Source: GlobalData (Industry Estimates); CCI Volume

\*CCI countries are reflective of FY23 while rest of the areas are reflective of YTD Nov'23



## 2. Small packages to support consumer recruitment

Young Population in CCI Countries

**~59%**

Teen Recruitment Opportunity



Source: Population Statistics from World Bank (young population represented as under 30); GlobalData (Industry Estimates); CCI Volume

IC Packages

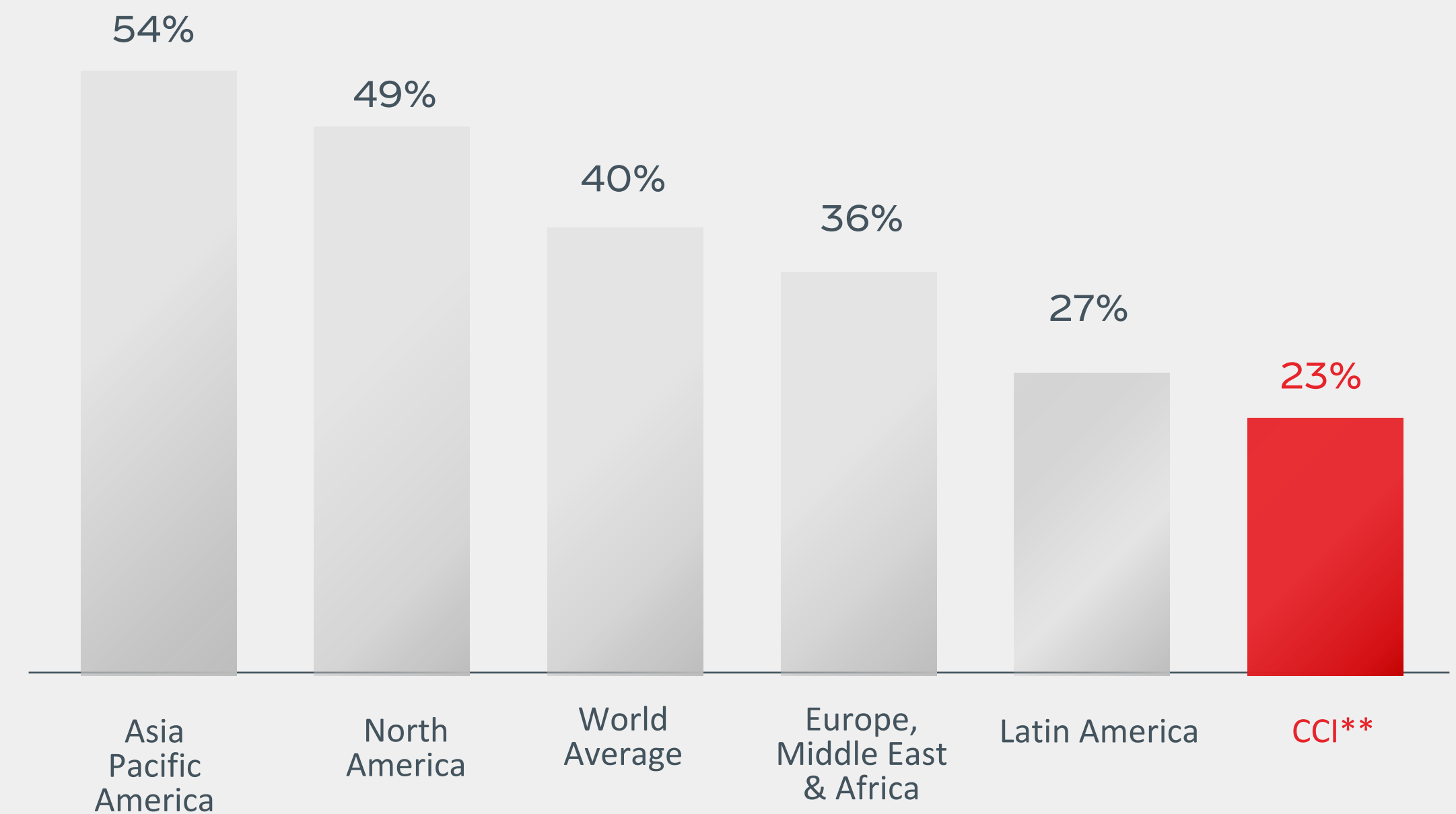
~2X

HIGHER NSR PER CASE<sup>1</sup>

~1.5X

GROSS MARGIN VS. FC<sup>1</sup>

Share of Immediate Consumption (IC) Packages in Sparkling\* (2023)

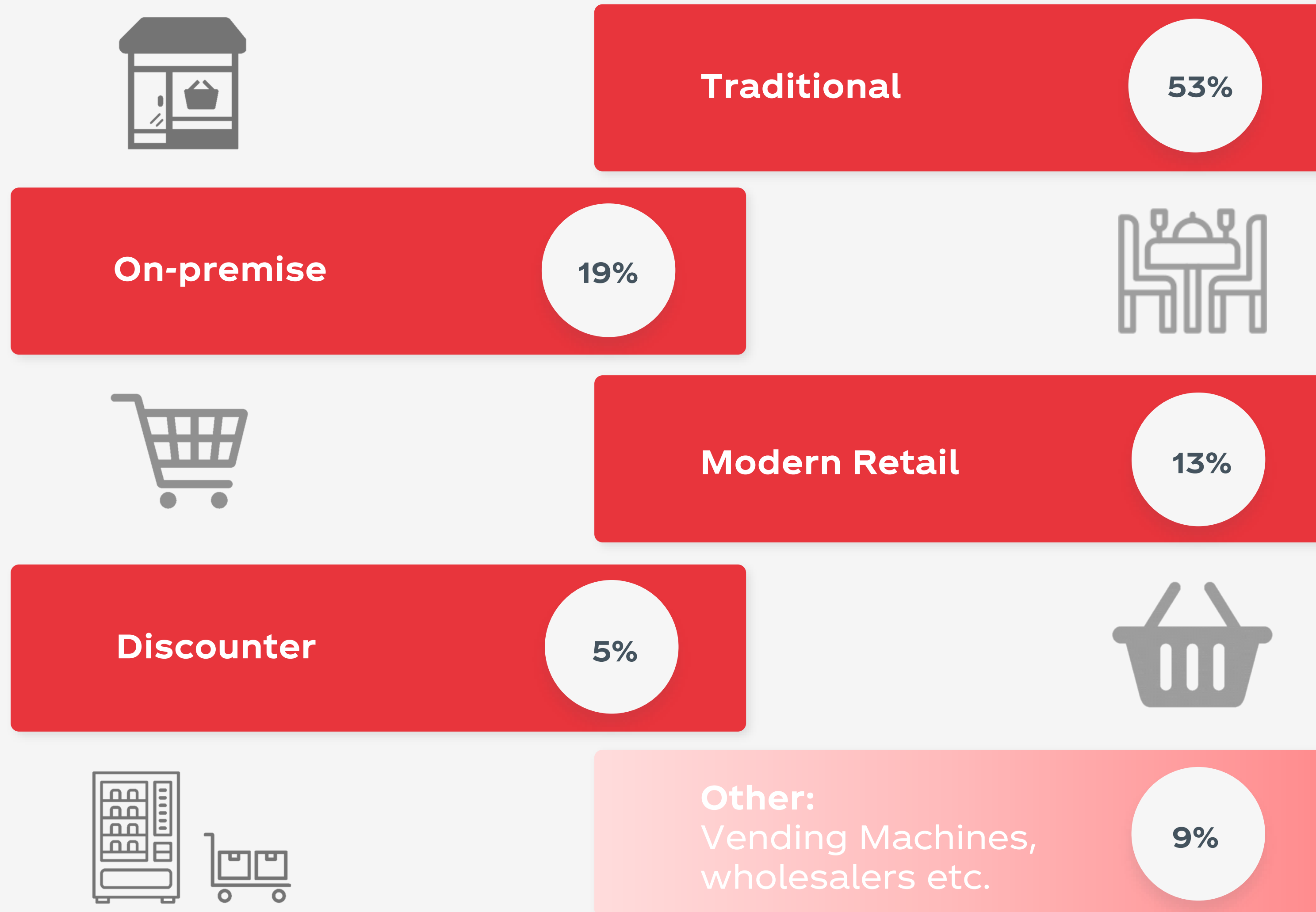


\*CCI is reflective of FY23 while rest of the areas are reflective of YTD Nov'23

\*\* Based on CCI analysis for Türkiye operations

### 3. More Room to Create Growth and Value with Our Customers

Volume Breakdown (2023)





# HOW WE DO IT



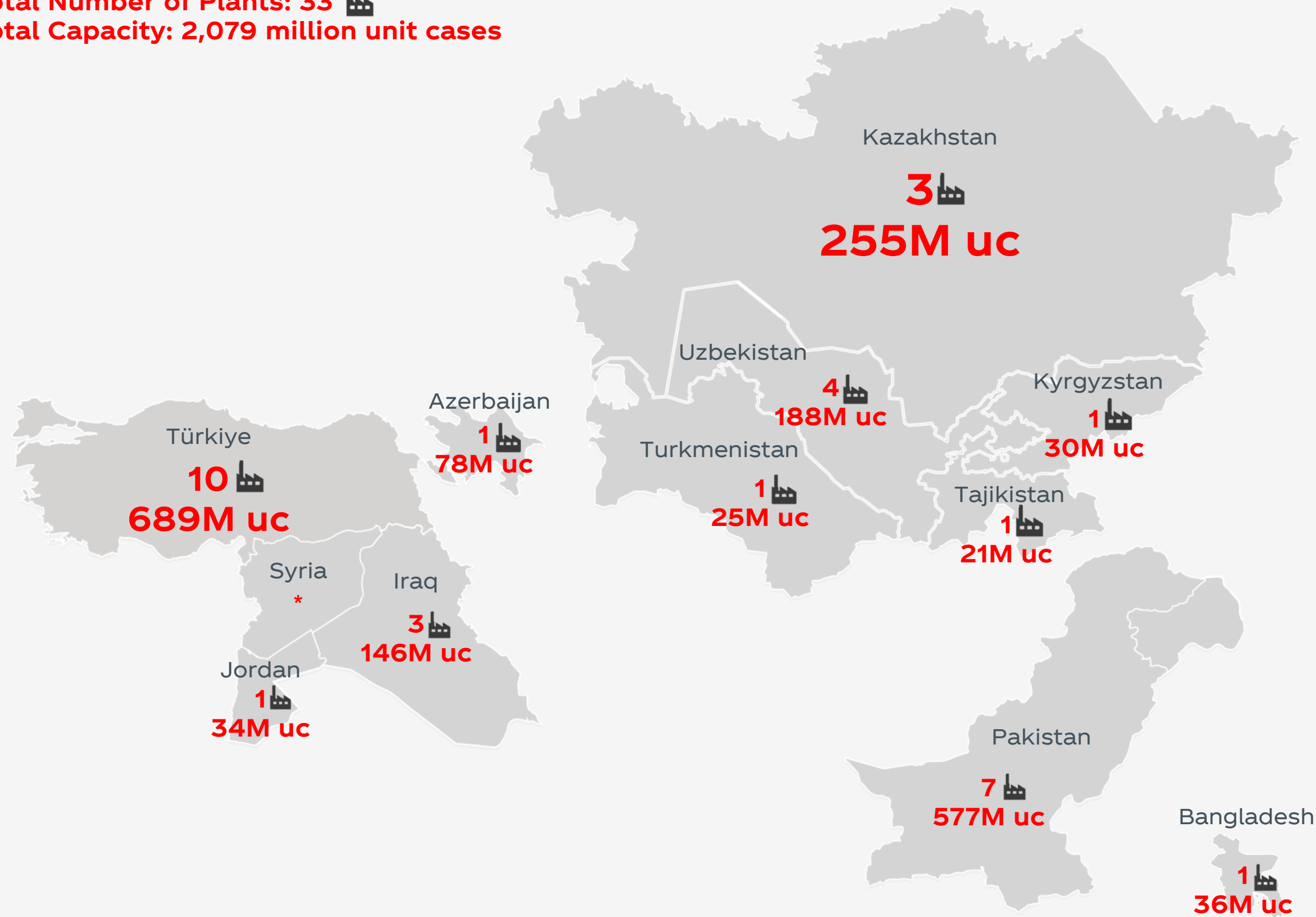
# CCI Playbook is Our Winning Formula



# We Invest Ahead of Demand

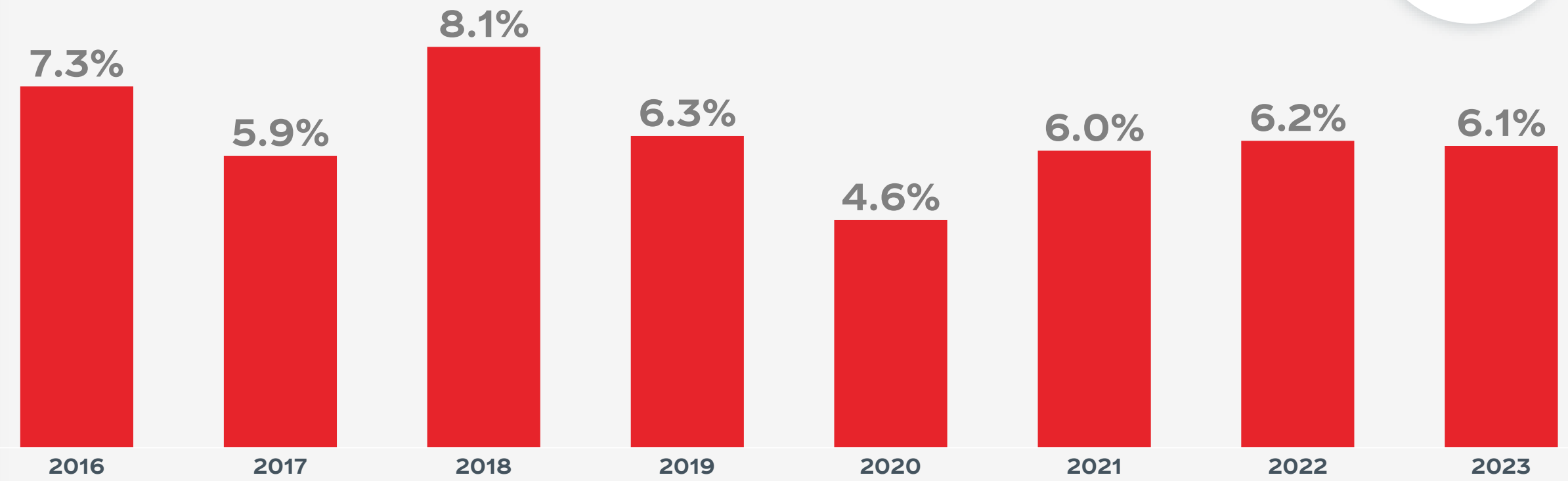
## Number of Plants & Production Capacity

Total Number of Plants: 33   
 Total Capacity: 2,079 million unit cases



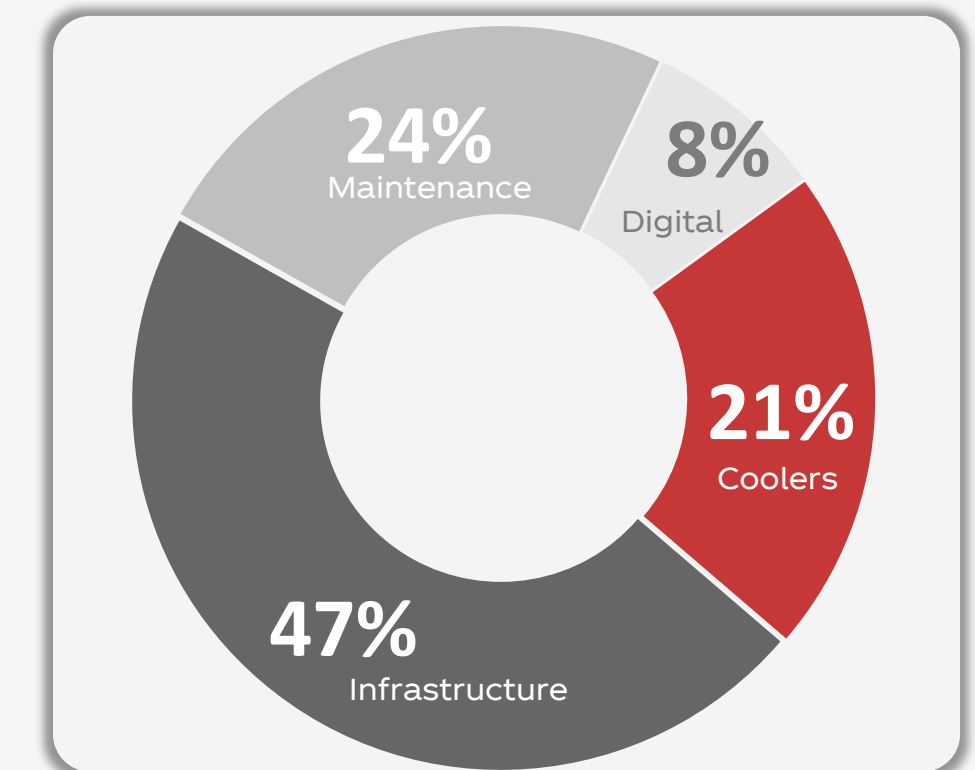
\*Operations temporarily halted

## Capex Trend & Breakdown



6.3%  
on average

Türkiye  
**33%**  
 International  
**67%**



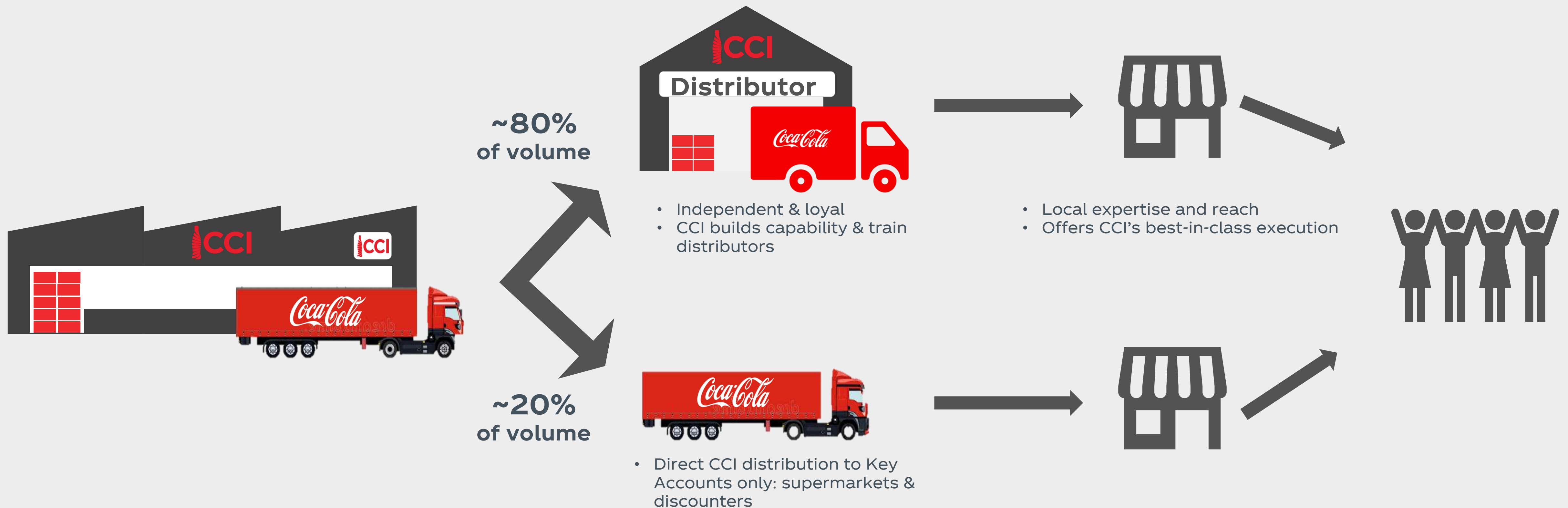
# CCI's Unique RTM Model

## RTM Systems in the World:

1. Direct Distribution by the Bottler

2. Wholesalers as a fulfillment intermediary

3. Hybrid approach – *unique to CCI*

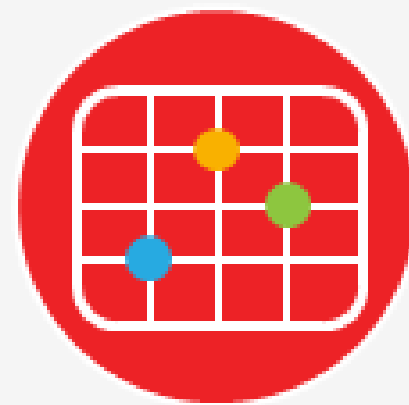




# Disciplined Revenue Growth Management

Net Sales Revenue = **Volume** x **Price** x **Mix** - **Discounts**





**Opportunity Mapping**

Identify & prioritize growth opportunities



**Value-driven Pricing**

**Analyze:**

- Consumers' willingness to pay
- Purchasing power
- Real F&B Inflation



**OBPPC**

Well defined pack roles, optimal pricing & channel differentiation



**Terms & Conditions**

Increase conditionality of customer investments



**Promo Spend**

Optimize promotional spend & enhance returns

# Our Uniqueness is to Develop our Markets and Create Value

Consistent per cap growth

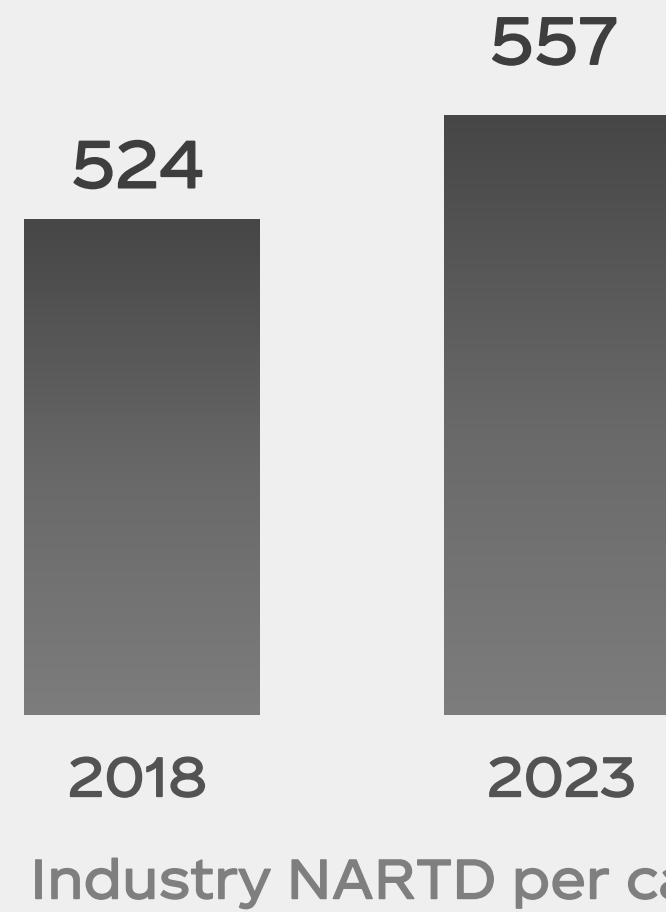
Robust \$ NSR/uc improvement

Indispensable focus on Quality growth

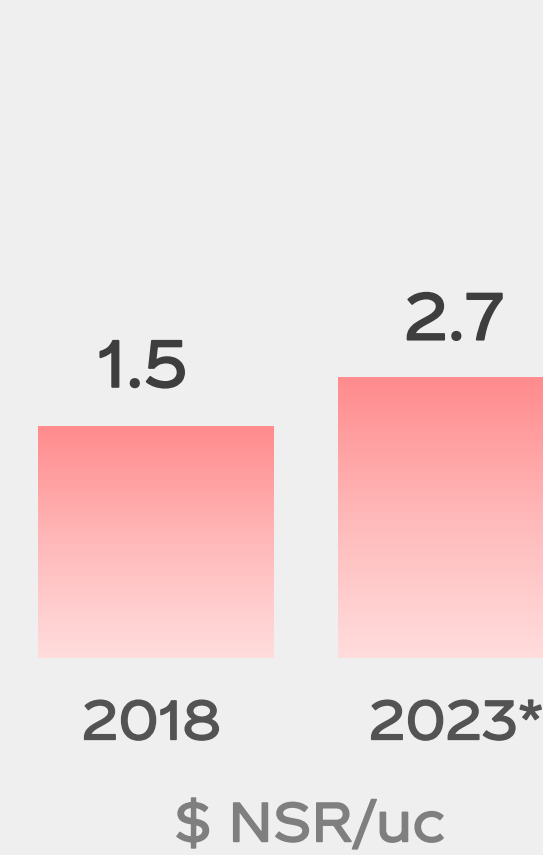
TÜRKIYE

INTERNATIONAL

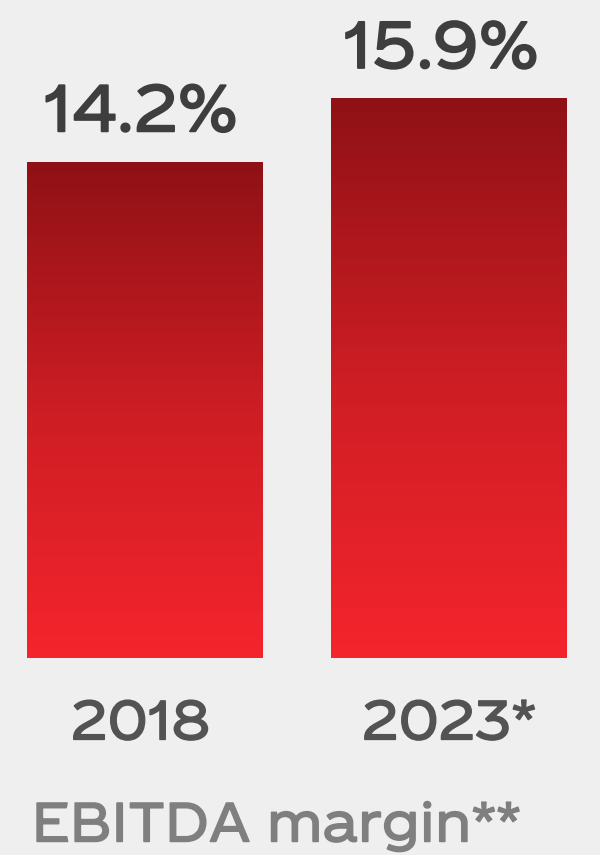
+6%



+81%



+170bps



\*\*Excluding others

PK: +5%

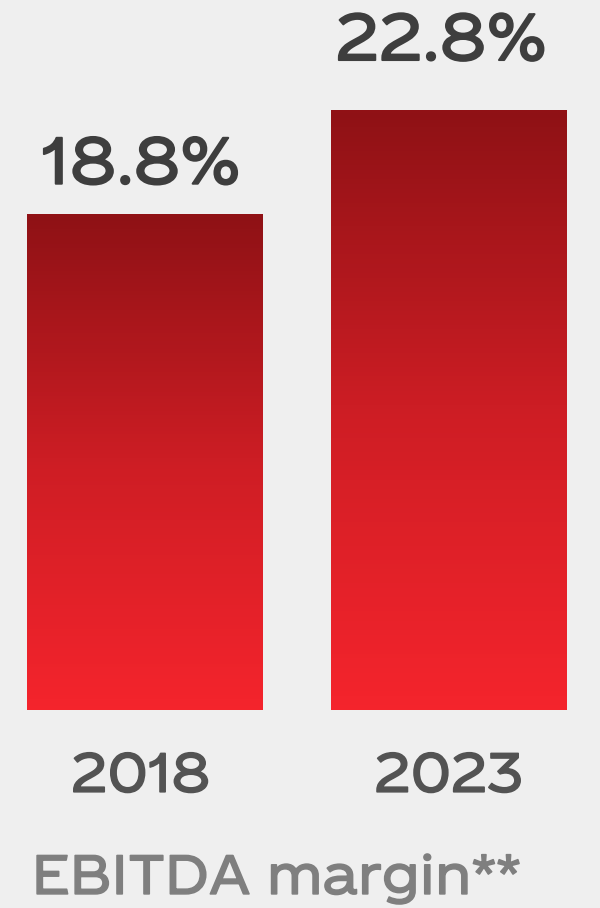
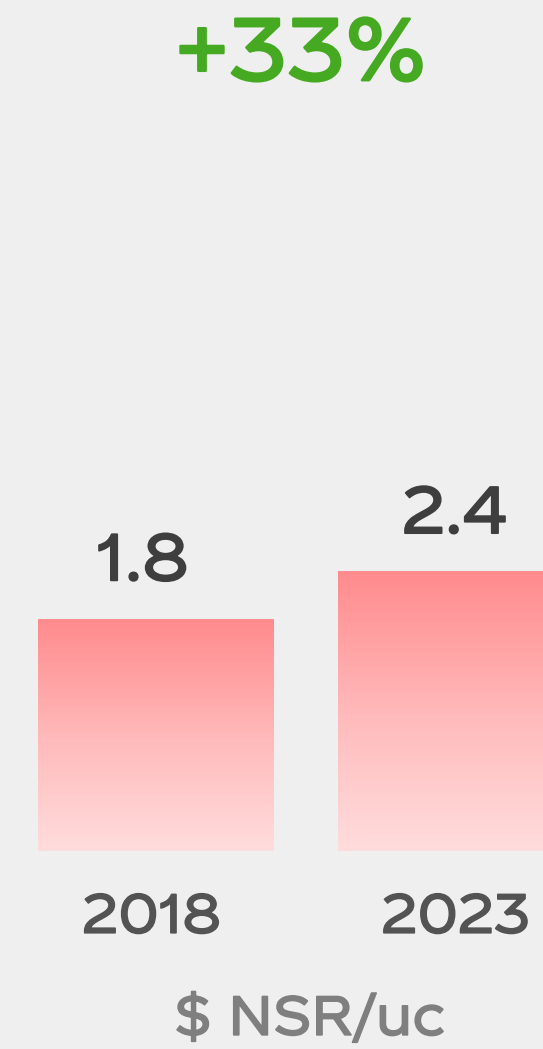
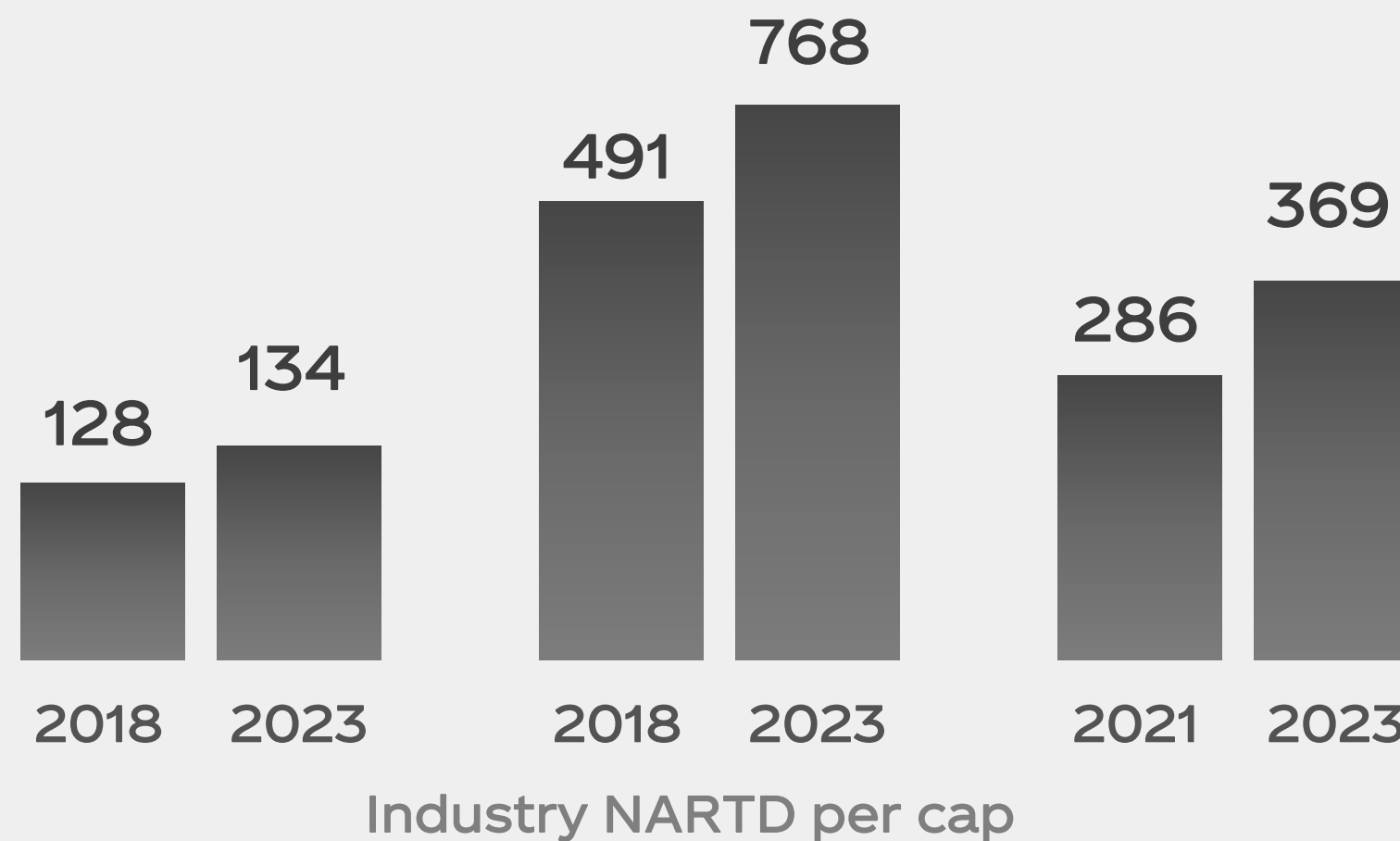
KZ: +57%

UZ: +29%



+33%

+400bps



\*Without TAS 29

# Sustainability 2030 Roadmap

## Packaging



**Commitment #1:** Continue to make 100% of our packaging recyclable and use at least 50% recycled material by 2030

**Commitment #2:** Collect and recycle a bottle or can for each one we sell in Türkiye, Pakistan and Kazakhstan, initiate collection programs in other countries

## Water



**Commitment #3:** Increase water efficiency by 20% by 2030 (Base Year 2020)

**Commitment #4:** Aim for water neutrality and help secure water availability in water-stressed locations through community projects

## Climate



**Commitment #5:** Run our manufacturing sites on 100% renewable electricity and make them carbon-neutral

**Commitment #6:** Reduce our total absolute GHG emissions by 13% by 2030 and emissions per litre of product by 50% by 2030 while growing the business (Base Year: 2015)

## Human Rights



**Commitment #7:** Establish mechanisms to ensure that CCI's distributors and priority suppliers are %100 compliant with CCI Human Rights Policy

## Diversity & Inclusion



**Commitment #8:** Ensure that 35% of new hires, 40% of managerial positions and 50% of executive committee members are women by 2030

## Community



**Commitment #9:** Reach up to 3.5M people until 2030 with our sustainable development programs with a focus on women, youth empowerment and environment



# FINANCIAL REVIEW

# Erdi Kurşunoğlu

CFO

## Experience



Oct'23 - Present  
**Chief Financial Officer**

Dec'21 - Oct'23  
**Finance Director - Pakistan**



Sep'15 - Dec'21  
**Chief Financial Officer - Africa**



Dec'11 - Jul'15  
**Chief Financial Officer - Subsaharan Africa**

Sep'07 - Dec'11  
**Vice President, Sales - Eastern Europe and Central Asia**

Jan'04 - Sep'07  
**Chief Financial Officer - Middle East**

## Education



1993  
**BsC, Chemical Engineering**



1994  
**Post-grad, International Management**

**Imperial College  
London**

1995  
**MBA, Finance**



# Summary Financials

Robust EBIT margin improvement y/y with & without TAS29

## Net Sales Revenue (TL)

1H24

**66.1** BILLION **-2.7%** y/y

2Q24

**36.6** BILLION **-6.9%** y/y

## EBIT (TL)

1H24

**10.4** BILLION **-0.4%** y/y

**15.7%** MARGIN **+37** bps

2Q24

**6.9** BILLION **-1.5%** y/y

**18.8%** MARGIN **+104** bps

## Net Income (TL)

1H24

**8.4** BILLION **+5.1%** y/y

**12.6%** MARGIN **+94** bps

2Q24

**5.4** BILLION **+20.2%** y/y

**14.8%** MARGIN **+333** bps

✓ TL NSR/uc growth of 60.4%, USD NSR/uc reaching to \$2.58 (without TAS29) – *the highest among 2nd quarters of last decade*

✓ EBIT/uc and EBIT margin reached \$0.53 and 20.4%, respectively (without TAS29) – *the highest among 2nd quarters of last decade*

✓ Without TAS 29, net profit growth of 63.4% y/y

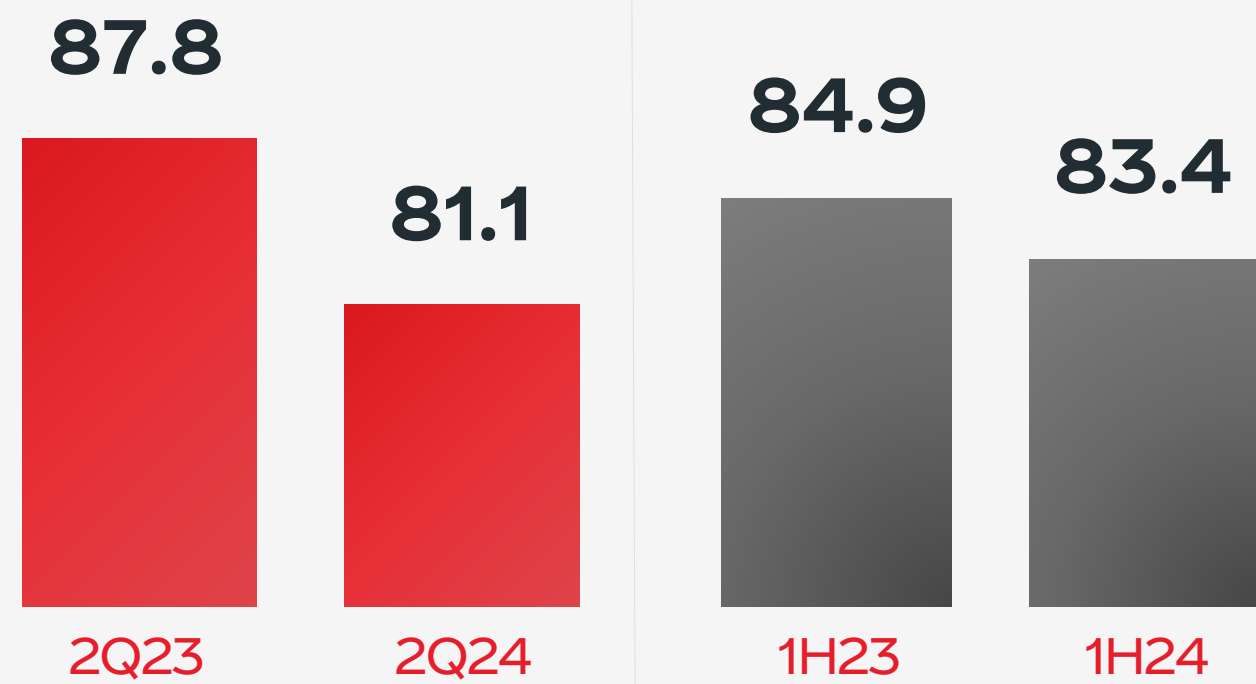


# Per UC Metrics

Without TAS 29, NSR/uc improved by 60.4% and 3.6% y/y in TL and USD terms, respectively

## Consolidated (TL) - TL, with TAS 29

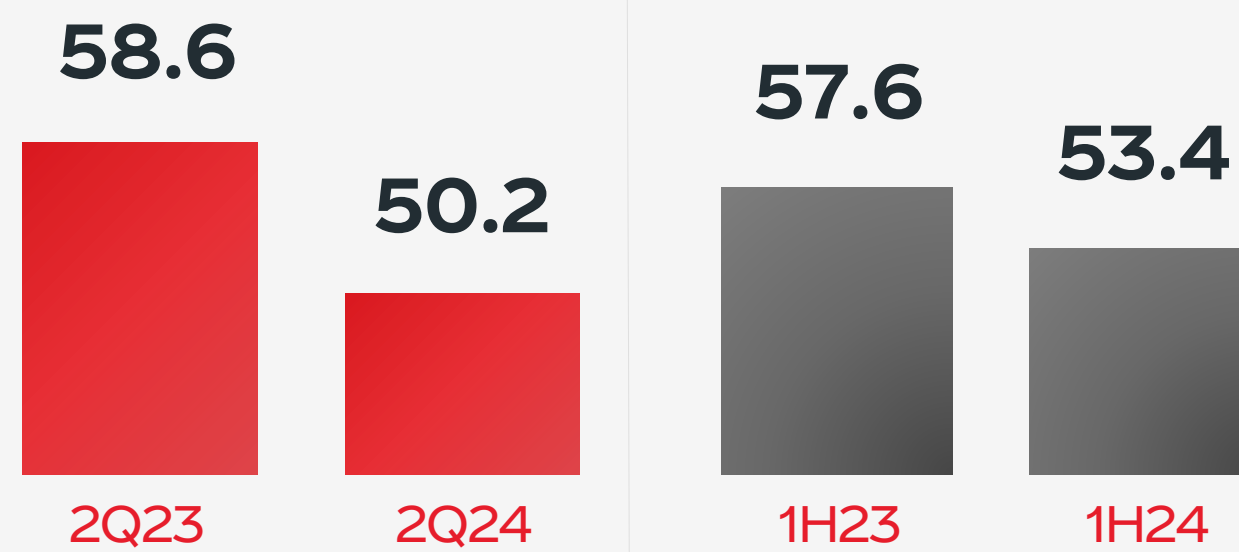
### Net Sales Revenue per UC



↓ -7.6% y/y

↓ -1.8% y/y

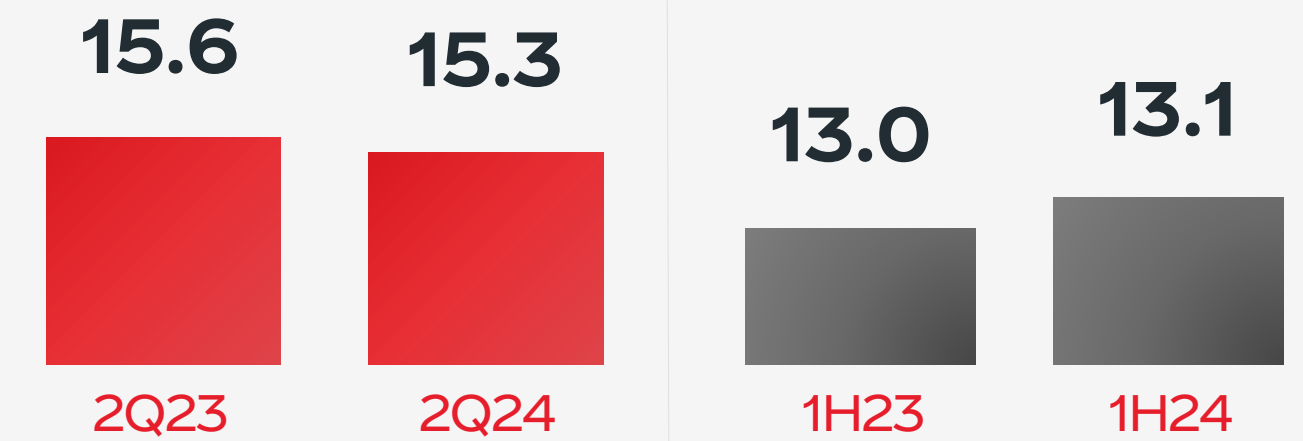
### COGS per UC



↓ -14.3% y/y

↓ -7.2% y/y

### EBIT per UC



↓ -2.2% y/y

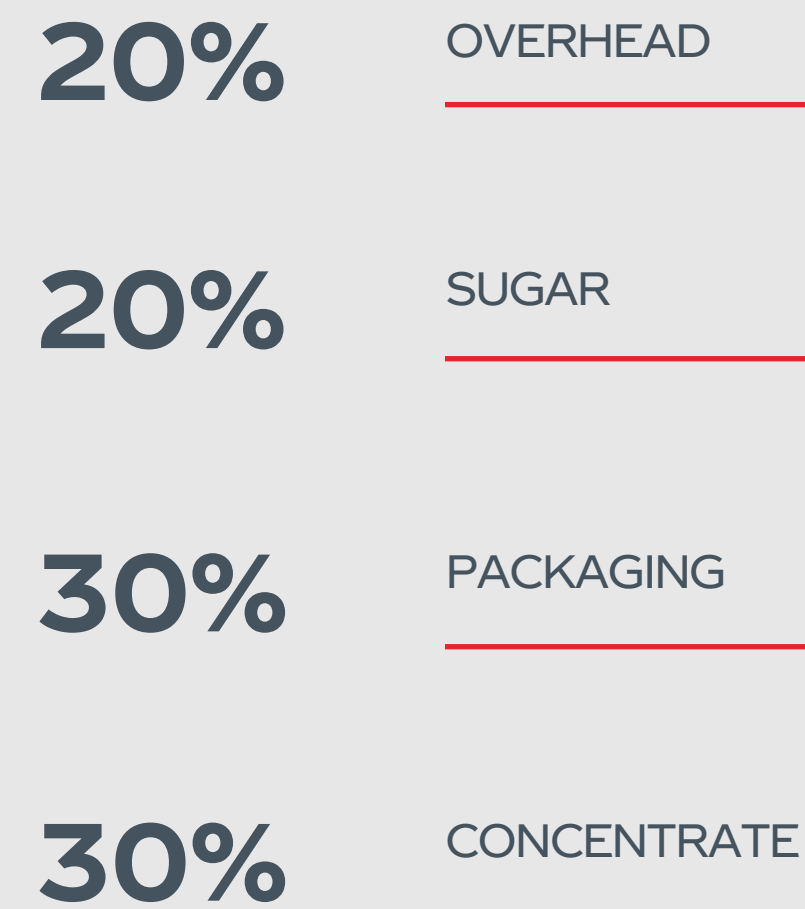
↑ +0.6% y/y

# Dynamic Hedging

Securing long term visibility & controlled cost base

## COGS Breakdown

Cost of Sales



## Proactive Risk Management Policy

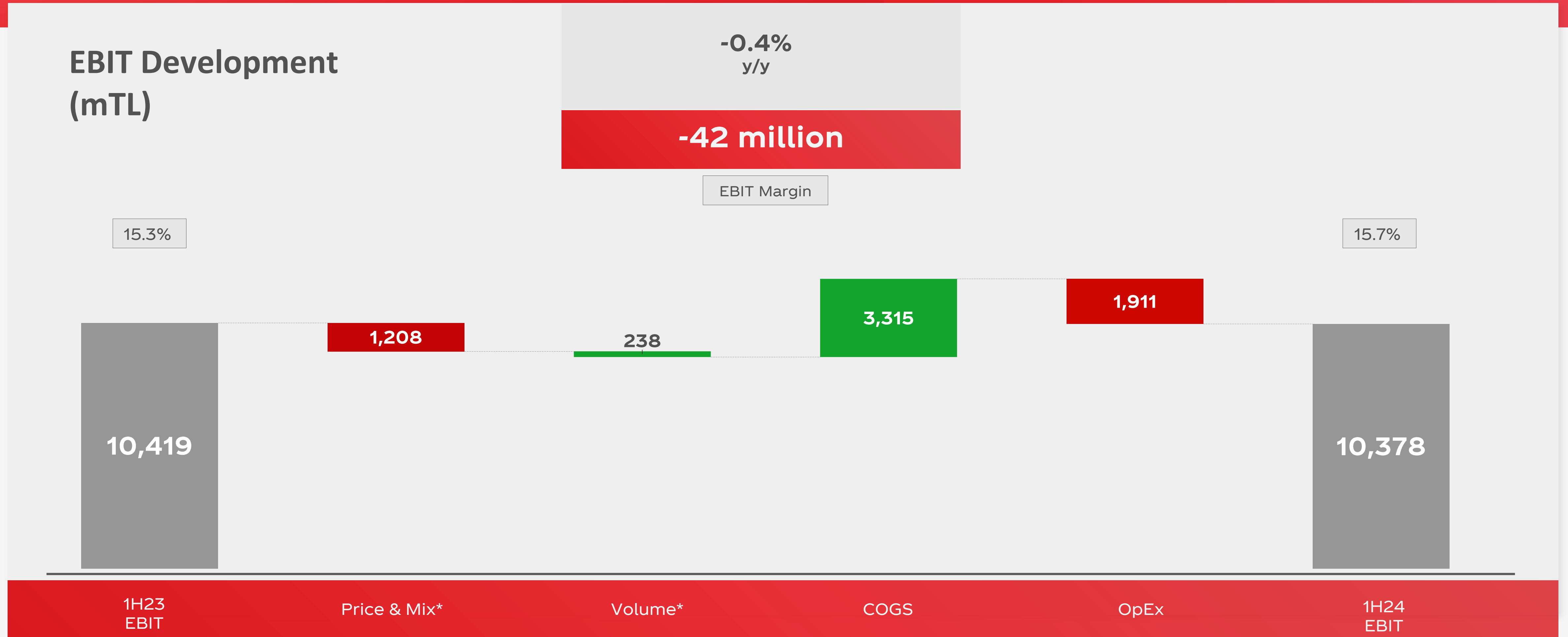
Hedging & Pre-buy Rates

	Sugar	Aluminum	Resin
2024	94%*	88%	98%
2025	6%**	40%	7%

\*100%, in markets where financial hedge is available  
 \*\*69% in markets where financial hedge is available

# 37bps EBIT margin improvement y/y

Without TAS 29, EBIT up by 71.2% thanks to softer cost base and effective RGM initiatives



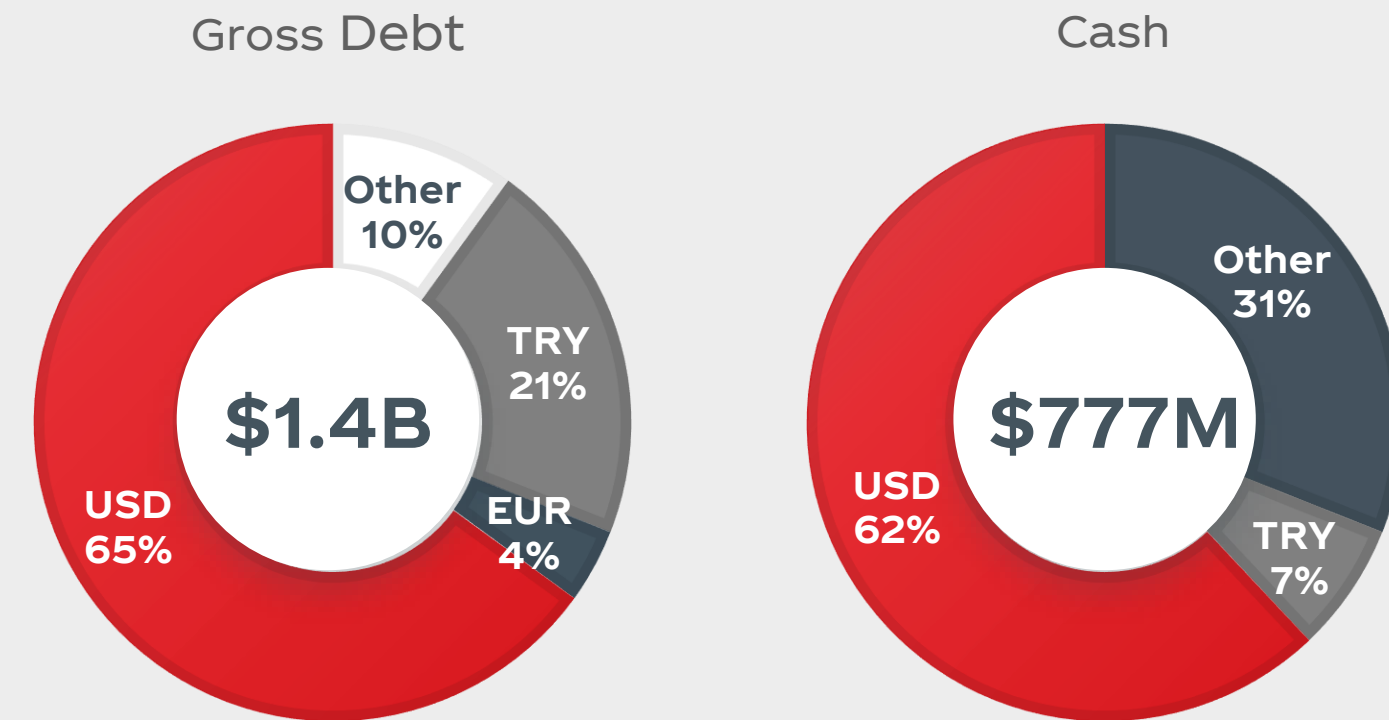
(\* ) Volume & Mix impact is calculated based on Gross Profit Contribution



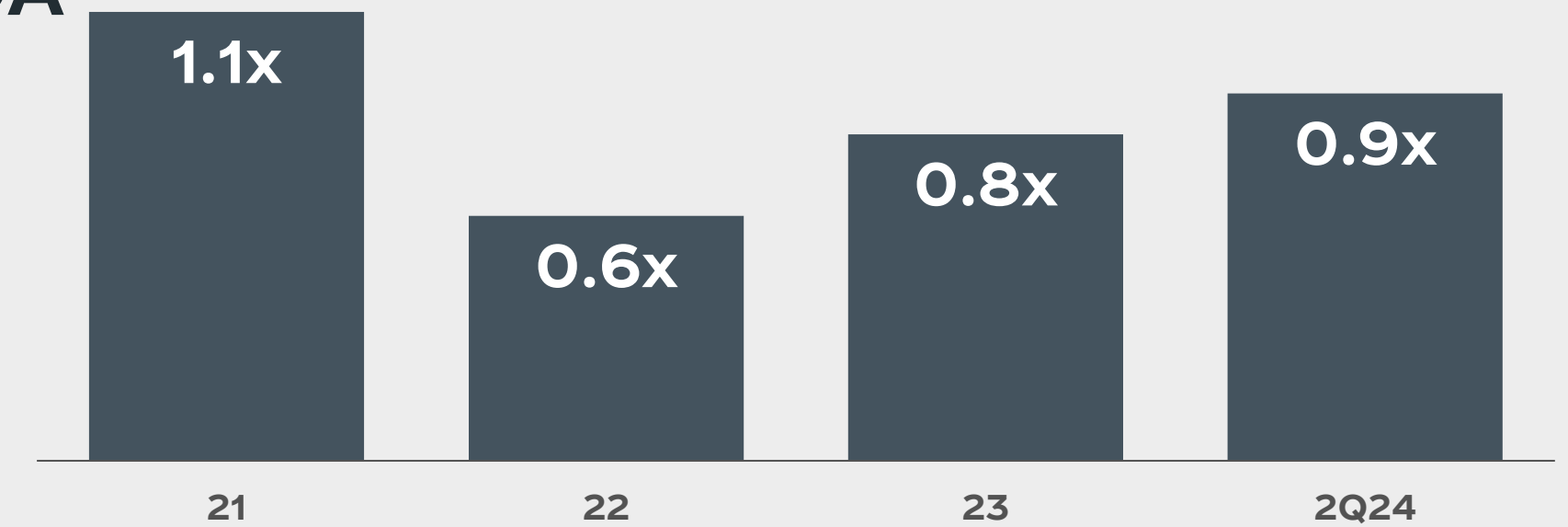
# Disciplined Financial Management

Low leverage and strong liquidity maintained

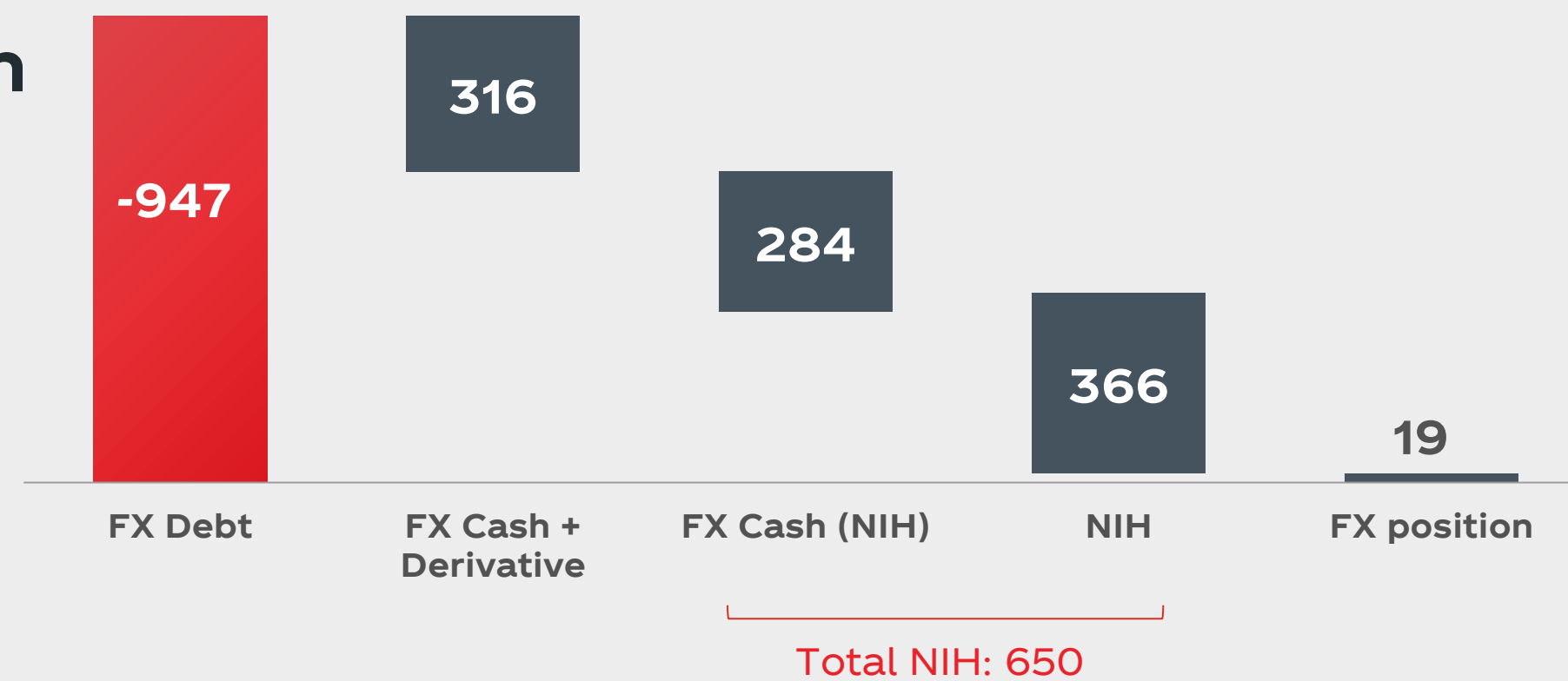
## Debt & Cash Composition



## Net Debt / EBITDA

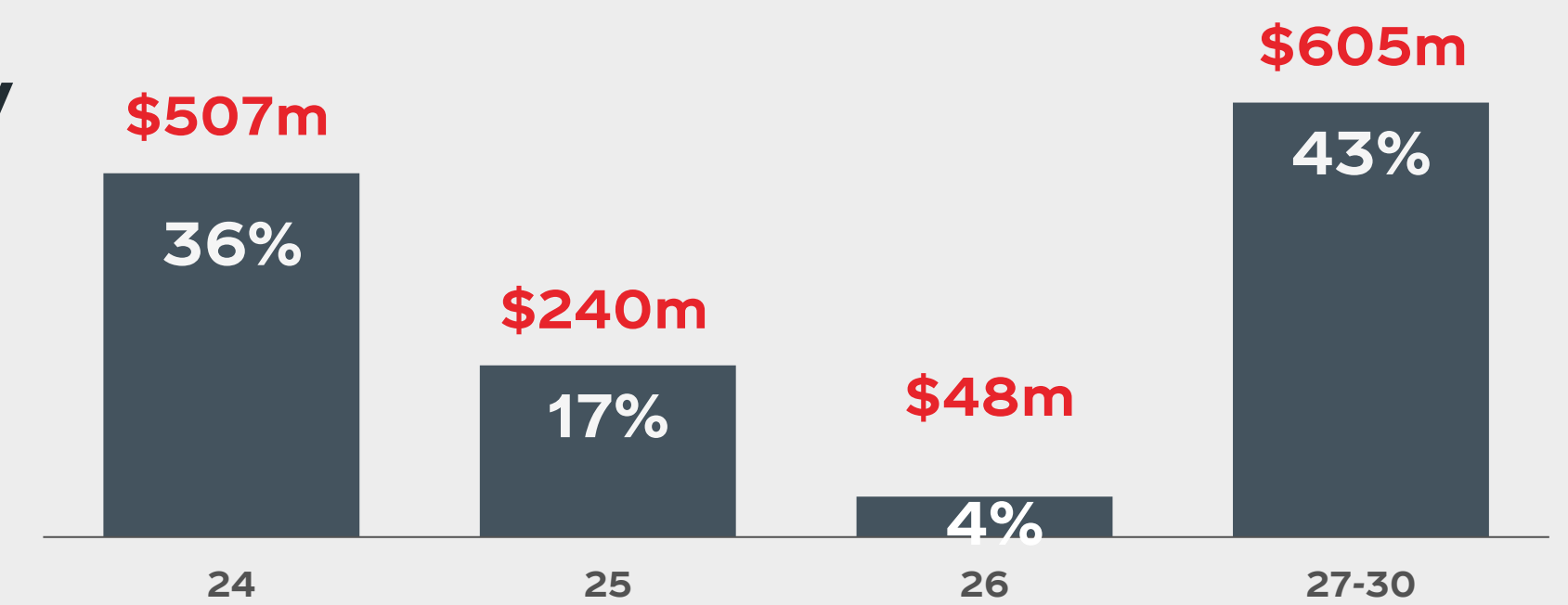


## FX Position



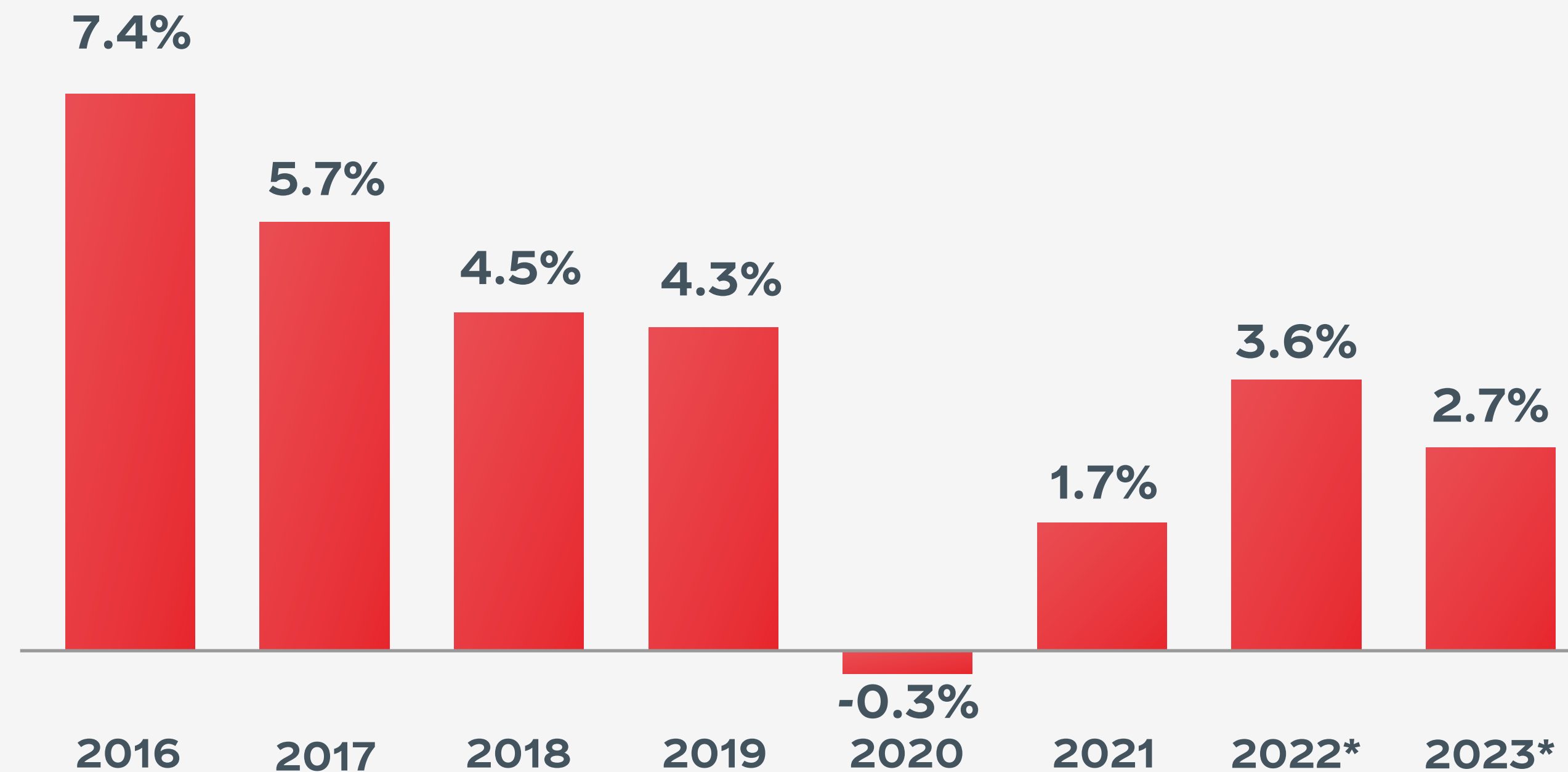
## Debt Maturity

Average Maturity  
2.9 years



# Continuous Focus on Improving Working Capital Efficiency

Net Working Capital / NSR, Year End



Inventory optimization



Strict Receivable Management



Leveraging Payables

# Disciplined Capital Allocation



## Organic Growth

### Optimum CapEx Allocation

CapEx/Sales

~6.1% (2023)

- Capacity Expansion
- Cooler placements
- Maintenance



## Deleveraging

### Debt Repayment

Optimum debt repayment

- Solid balance sheet
- Improving leverage metrics



## Inorganic Growth

### Selective M&A Strategy

Bolt-on acquisitions

- Strategic fit
- Value creation
- Reasonable proximity



## Shareholder Return

### Dividends

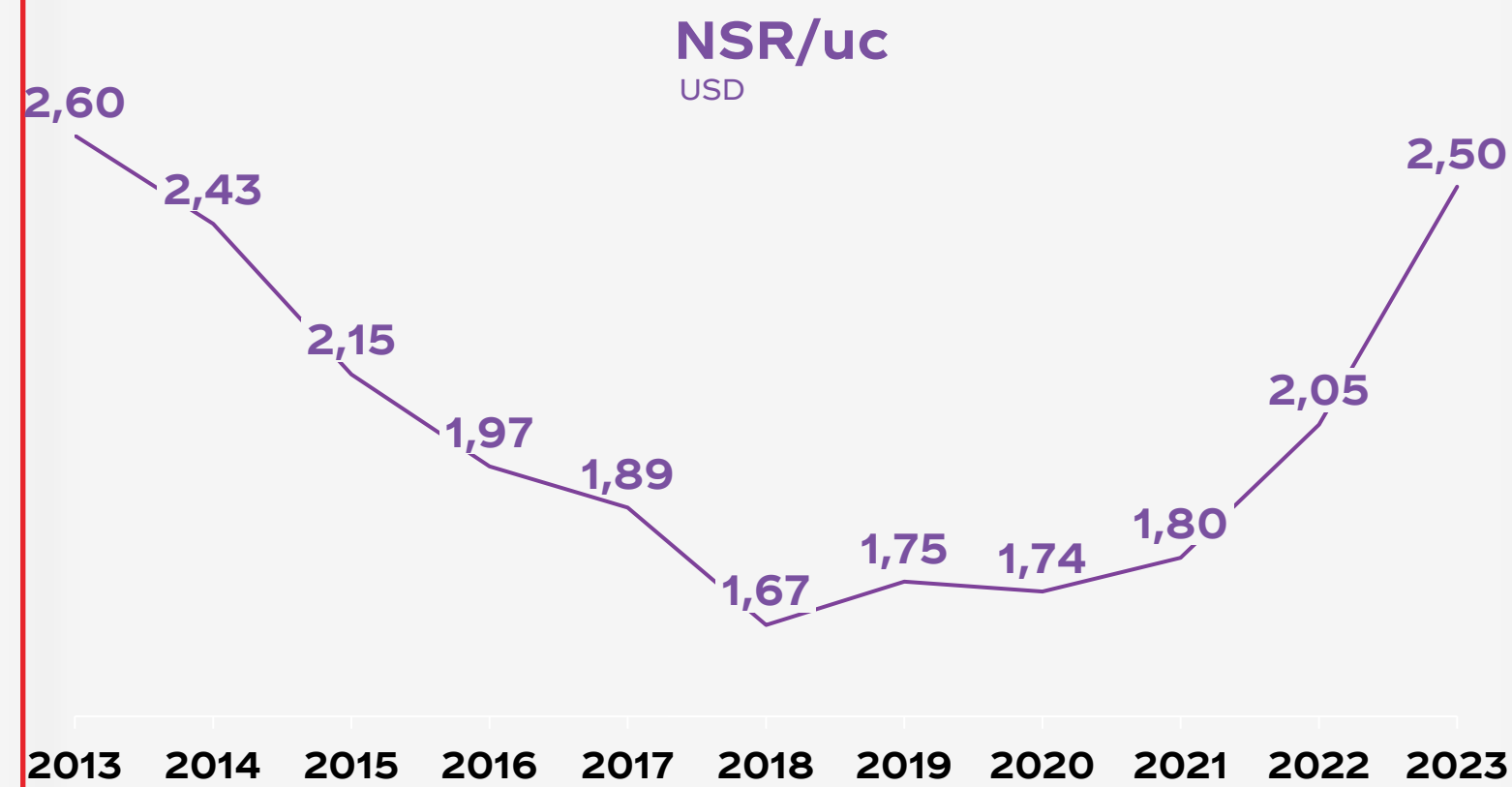
Sustainable dividend policy

- Increasing payout ratio
- Higher dividend yield

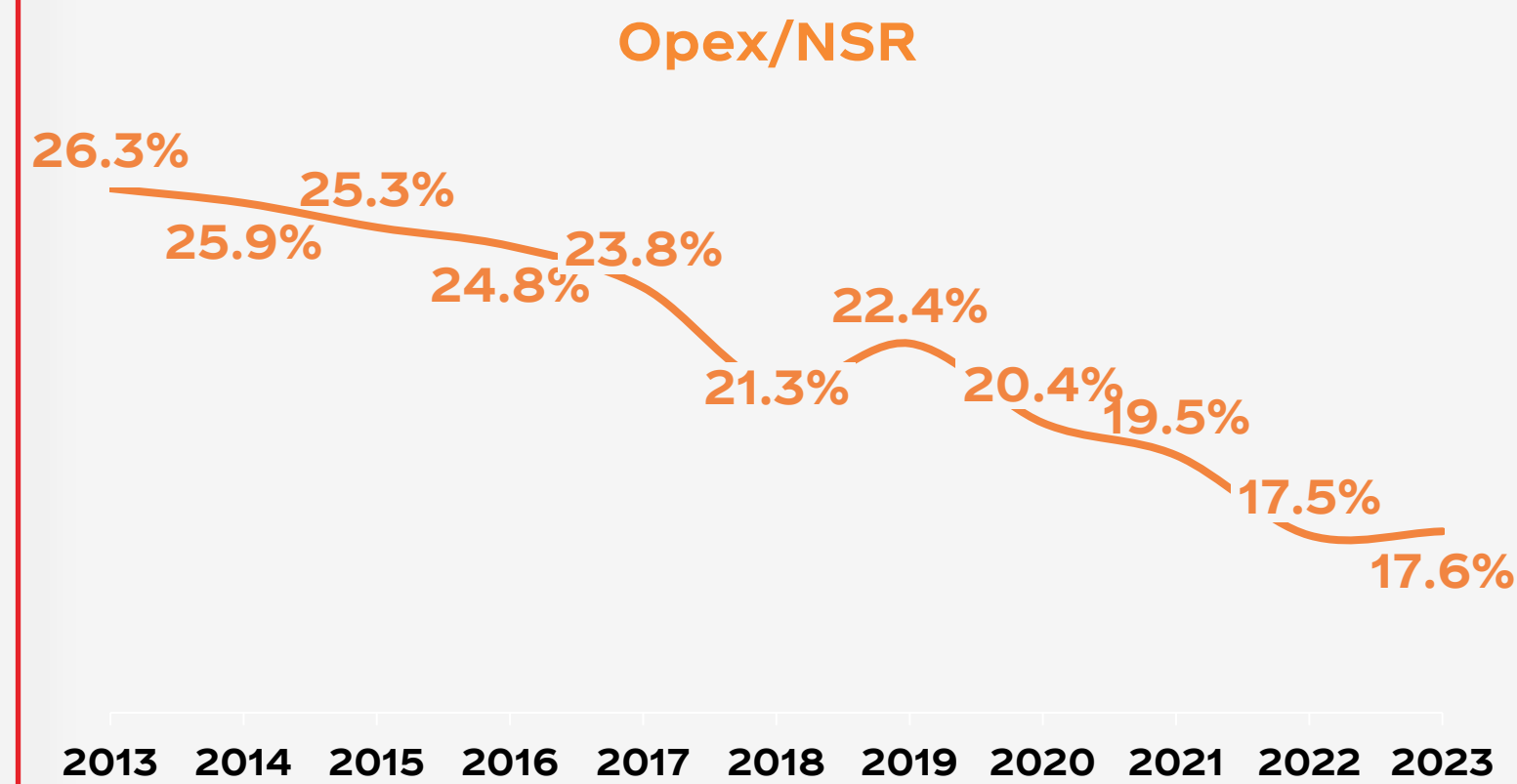


# CCI's Financial Playbook

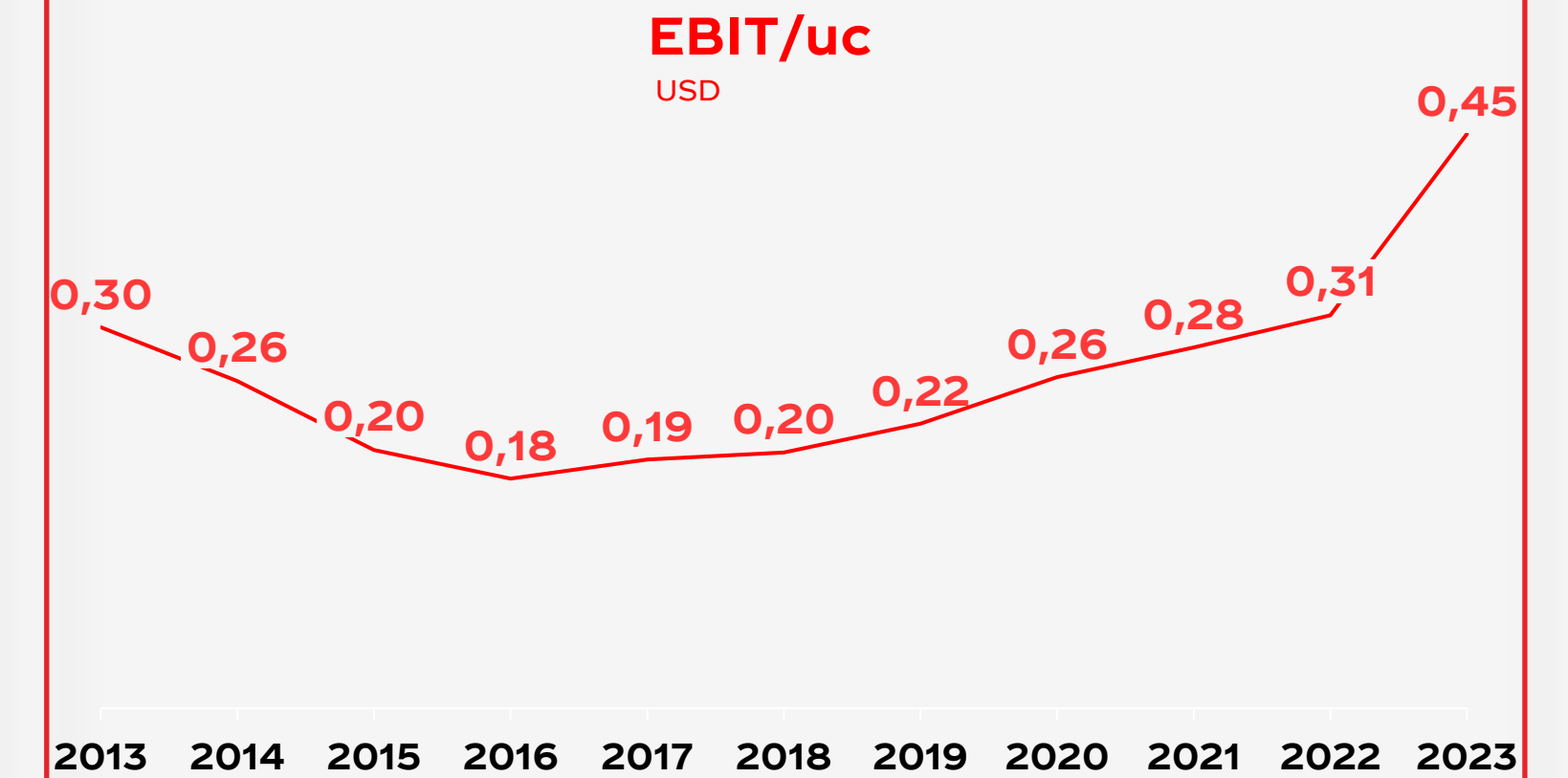
## Right Pricing & Effective Mix Management



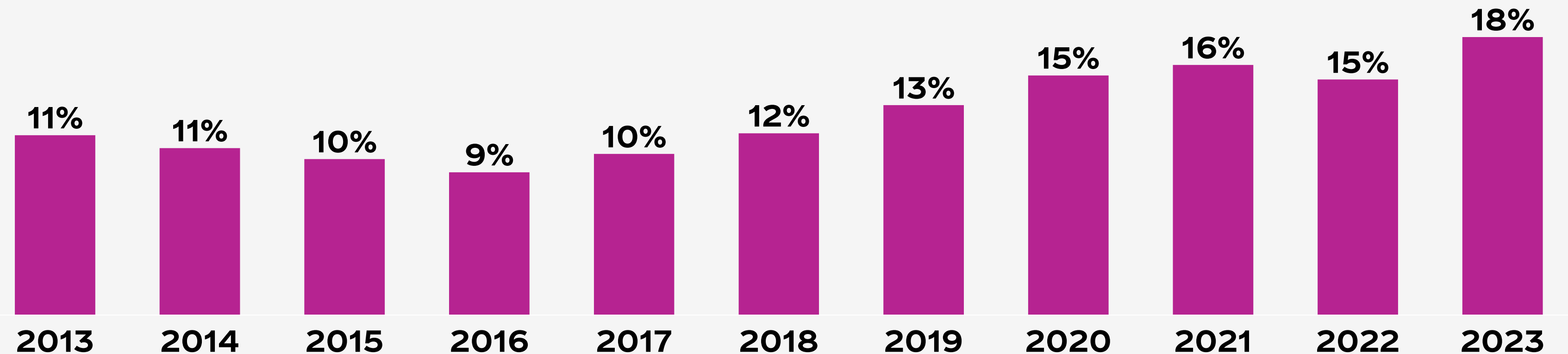
## Prudent OpEx Governance



## Record-high per uc efficiency



Resulting in the **Highest EBIT** margin



# CLOSING REMARKS

# CONSUMER OPPORTUNITY

NON-CCI CONSUMER  
CCI CONSUMER





# We Will Continue to Create Sustainable Value as We Did in the Past



## 2006 - 2023 Evolution



# Country Data 2023

	Population (mn) <sup>(1)</sup>	GDP per cap, PPP (USD 000) <sup>(2)</sup>	Per capita NARTD consumption (8 ounce servings) <sup>(3)</sup>	CCI's Market Share in Sparkling (%) <sup>(4)</sup>	CCI's Market Position in Sparkling <sup>(5)</sup>	Capacity (mn UC) <sup>(6)</sup>	Capacity Utilization Rate <sup>(6)</sup>
<b>Türkiye</b>	85.8	34.8	557	64.7	1	689	81%
<b>Pakistan</b>	240.5	5.5	134	47.2	1	577	57%
<b>Kazakhstan</b>	19.6	25.0	768	52.7	1	255	74%
<b>Iraq</b>	45.5	9.3	585	37.8	2	146	76%
<b>Uzbekistan</b>	35.2	8.5	369	65.5	1	188	80%
<b>Azerbaijan</b>	10.4	19.3	408	88.1	1	78	81%
<b>Bangladesh</b>	98.2	6.8	46	45.3	1	36	-
<b>Kyrgyzstan</b>	6.7	5.4	422	67.3	1	30	80%
<b>Jordan</b>	11.3	9.9	415	19.4	2	34	51%
<b>Tajikistan</b>	10.1	4.3	176	n/a	-	21	63%
<b>Turkmenistan</b>	6.5	14.7	233	n/a	-	25	11%
<b>Syria</b>	23.2	-	-	-	-	-	-

Sources:

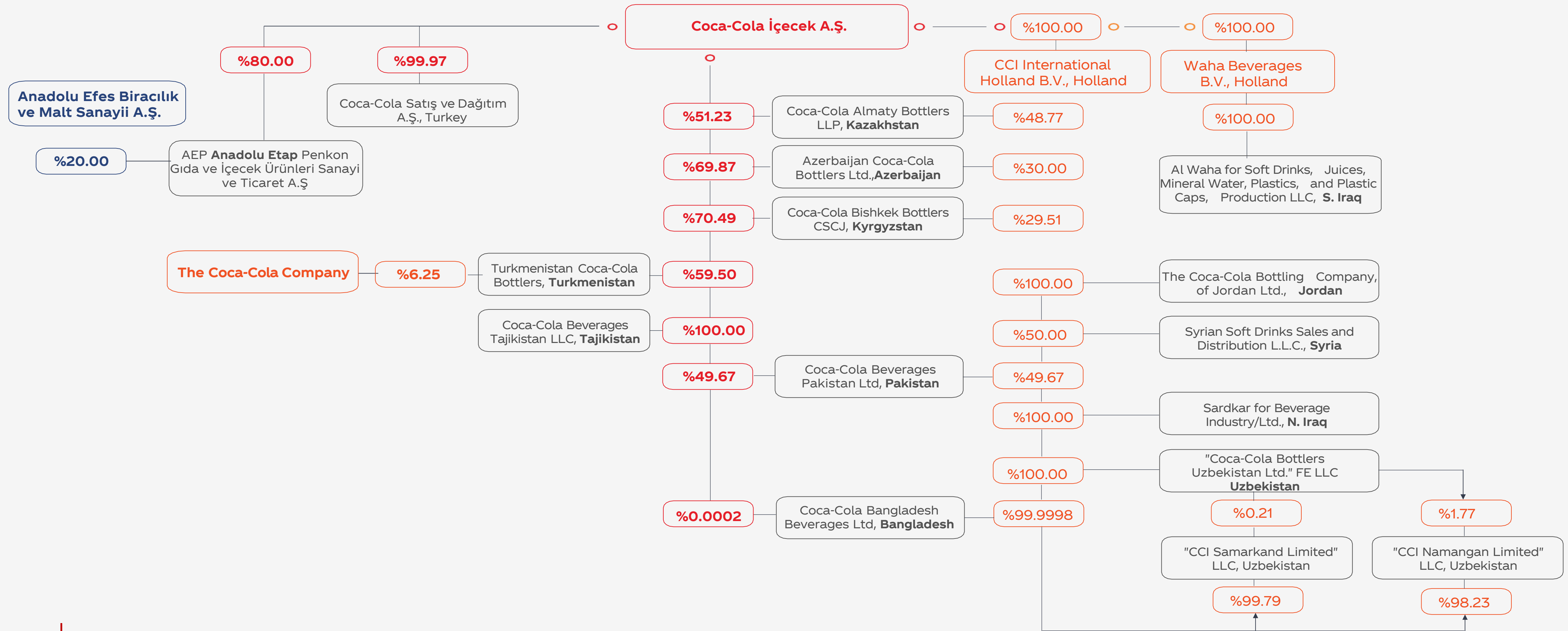
(1) & (2) S&P Global (Formerly IHS Markit), Market Intelligence, Jan'24

(3) GlobalData (Industry Estimates), 2023 Forecast; S&P Global (Population); NARTD includes Sparkling, Juices, Packaged Water, RTD Tea & Energy Drinks; Per cap per year in terms of number of 8-ounce servings

(4) & (5); TR/KZ: Nielsen Retail Panel, YTD Dec'23; PK: Foresight Household Panel (only covers Household consumption, not OOH consumption), YTD Dec'23; IQ/UZ/AZ/KG/JO based on GlobalData Industry Estimates & CCI Internal Volume, FY'23

(6) As of May 2024

# Subsidiaries







'24

# Investor Presentation

For more information, please contact  
[cci-ir@cci.com.tr](mailto:cci-ir@cci.com.tr).