

**COCA-COLA EUROPACIFIC PARTNERS**  
**H1 2025 Trading Update**  
**Analyst Call Transcript**  
**06 August 2025**

**CORPORATE PARTICIPANTS OF PREPARED REMARKS**

Damian Gammell - CEO

Ed Walker - CFO

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**PREPARED REMARKS**

*Sarah Willett: Introduction*

*Thank you all for joining us today. I'm here with Damian Gammell, our CEO and our CFO, Ed Walker.*

*Before I hand over to Damian, a reminder of our cautionary statements. This call will contain forward-looking management comments and other statements reflecting our outlook. These comments should be considered in conjunction with the cautionary language contained in today's release, as well as the detailed cautionary statements found in reports filed with the UK, U.S., Dutch, and Spanish authorities. A copy of this information is available on our website at [www.cocacolaep.com](http://www.cocacolaep.com). Prepared remarks will be made by Damian. We will then turn the call over to your questions.*

*Unless otherwise stated, metrics presented today will be on a comparable and FX neutral basis throughout. They will also be presented on an adjusted comparable basis, thus reflecting the results of CCEP and our Australia, Pacific & Southeast Asia business unit (APS) as if the Coca-Cola Philippines transaction had occurred at the beginning of last year, rather than in February when the acquisition completed.*

*Following the call, a full transcript will be made available as soon as possible on our website. I will now turn the call over to our CEO, Damian.*

### *Damian Gammell: Executing on our growth strategy*

*Thank you, Sarah, and many thanks to everyone for joining us today.*

*I'm really pleased that we continue to execute on growth strategy.*

*I'd like to start by thanking all of my great colleagues for their energy, hard work and continued dedication to our customers and to our business. As always, this is supported by our strong aligned relationships with The Coca-Cola Company, Monster and our other brand partners.*

*In short, our value creation is clearly evidenced by our impressive TSR of around 235% since 2016. We continue to deliver solid top and bottom-line growth. Our cash returns are accelerating, having now completed around €460 million of share buybacks this year alongside paying a dividend in line with our annualised payout policy of around 50%, both within our disciplined capital allocation framework.*

*Beyond today's results, we will also circle back to a few of the areas we covered in detail at our recent investor event in Manila, to provide an update on progress made since then with a little bit more detail on what is coming around the corner.*

### *Damian Gammell: Addressable markets*

*At that investor event, we talked in detail about our resilient categories so a brief reminder of one of the key slides we shared.*

*Simply put, we are in the right categories, including ARTD and hot coffee, that are structurally growing, are profitable and diverse.*

*We've got relevant share in our core NARTD category which grew by more than 5% in the last 12 months.*

*We have unmatched scale and localness in our supply chain and in our front-line sales force, and we're investing more than ever before in our key capabilities, while accelerating productivity through technology and digital. We are well positioned, from both a portfolio & geographical perspective, with a material presence now across our 31 markets.*

*In short. The fundamentals of our business are strong & we operate in resilient & innovative consumer categories which are healthy and growing.*

### **Damian Gammell: H1 Key messages**

*I'd now like to turn to our performance. We're pleased to have delivered a solid first half. We've continued to grow share ahead of the market and create value for our customers.*

*Given our year-to-date performance, strong commercial plans for the balance of the year, FY25 pricing in place, continued focus on productivity and a good start to the second half, we are pleased to be reaffirming our full-year profit and cash guidance. We have updated by providing a range on full year revenue growth of 3-4% rather than approximately 4%, this is driven by a slower than expected trajectory in Indonesia which in Q2 alone impacted group volumes by around 1%, but of course we will update as the year progresses.*

*Our first half interim dividend and ongoing share buybacks, demonstrate the strength of our business and our ability to deliver continued shareholder value. So, we are winning today but we're also focused on creating tomorrow.*

*Strong cash generation is supporting record investment in future growth with multi-year plans in place. And we are really starting to unlock more value from tech and AI where we have been investing for many years.*

*So, we're confident we have the right strategy, all done sustainably to deliver on our mid-term growth objectives.*

### **Damian Gammell: H1 25 Key metrics**

*I would now like to turn to some of our key performance highlights.*

*Our solid top-line performance reflects underlying volume growth, best in class execution and solid gains in revenue per unit case. This was driven by sustainable revenue and margin growth management, including our continued focus on price and promotional strategies.*

*In Europe, Easter timing and better weather supported a return to volume growth in Q2, crucially with a better performance in our away from home business. Total first half volumes were however impacted by a weaker consumer backdrop in Indonesia though we continue to remain excited about the long-term opportunity and continue to focus on our transformation journey. We will touch on that more a bit later. Our other APS markets performed really well, including the Philippines, despite cycling strong comparables of nearly 20% last year.*

*We grew our overall value share by 10 basis points year to date in a category which grew in volume and value both in Europe and APS. The market remains as competitive as ever. As we've said before, we continue to take a multi-year view on our promotional and pricing strategies. We remain focused on driving profitable revenue growth and creating value for the category whilst remaining affordable and relevant for all consumers.*

*Our strong top-line performance, together with the delivery on our efficiency programmes drove solid operating profit growth of 7.2%, with operating margin expansion both in Europe and APS.*

*We generated solid comparable free cash flow after investing in capacity, more coolers, technology and digital. And we delivered cash returns to shareholders of over €800 million. Ed will go into more detail on our financials shortly.*

### ***Damian Gammell: Great people***

*As ever, our business performance reflects our great people, great brands, great execution, all done sustainably.*

*A few brief highlights on our first half - starting with people.*

*We continue to build the capabilities of our teams, for example our partnership with the London Business School has upskilled over 500 of our top leaders and is now being extended to another 3,500 colleagues.*

*We continued to be recognised internally and externally. In 2025 the Top Employers Institute recognised CCEP across all of our major markets.*

*And we are really excited to welcome around 60 colleagues into our new integrated shared service centre in Manila which Ed will also touch on a bit later.*

### ***Damian Gammell: Great brands***

*On our brands, we are extremely privileged to make, move and sell some of the world's most loved brands, in which we continue to invest, and drive appeal to even more consumers.*

*Category highlights are included in today's release.*

*The return of the global iconic Share a Coke campaign was well executed and well received by customers and consumers. And the launch of the This is My Taste campaign for Diet Coke is gaining traction by providing a fresh look and identity. Overall, it is fantastic that in Europe, for example, Coca-Cola Trademark remains the biggest FMCG brand.*

*Monster had a phenomenal first half with volumes up nearly 15% fuelled by great innovation. This is especially the case with Ultra and zero variants, where volumes were up over 20%, alongside ongoing distribution gains. We grew retail value share in energy by around 140 basis points during the period.*

*In Flavours, as we highlighted at our investor event, we are increasingly focusing on winning with flavour extensions and zeros across Fanta, including Raspberry and Apple, and of course in Sprite. Excluding Indonesia, these brands are a bigger part of the mix, Fanta zero volumes grew by around 7% and Sprite zero by around 13%.*

*The transition from Nestea to Fuze tea in Iberia is ahead of plan and we continue to expand in the exciting ARTD category with total volumes up around 9%, supported by new flavour variants for Absolut & Sprite alongside the launch of Bacardi & Coke.*

*And finally, the sports category continues to perform well supported by the new red peach Aquarius variant in Spain as well as larger pack sizes including one litre Powerade alongside our cans.*



*So, as you can see, we delivered innovation across the board through packaging, flavour extensions, special collaborations and more. A bit later I will share with you some of the brand plans in place for this year and beyond.*

***Damian Gammell: Great execution***

*We have said this before but we at CCEP are fanatical about delivering best in class execution and activation whether that's in store, online or in outlet. All done locally to drive distribution and visibility every day. We continued to create leading value for our category, adding nearly 450 million euros of value to our retail customers. And here I am anchoring back to what we shared with you at our investor event and our four MOREs strategy.*

*We love creating engaging displays, especially around key holiday events with the cornerstone in H1 being the Share A Coke campaign I referred to earlier. This is all driven by the largest sales force in FMCG, over 12,000 in total, powered by technology. And when our customers are buying more often, what we want is more volume. And when you get more volume, we leverage our revenue management capability to create more value, sustainably.*

*These examples show how we're bringing this to life.*

*We've launched an 850 ml PET for smaller households in Germany, one of our biggest markets. In markets like GB, Spain and others, extra free and extra fill is a great way to manage affordability given ongoing cost of living challenges. We continue to focus on premiumization whether it be with multipack mini cans in France, multipack mini-PET in Australia or more returnable glass.*

*We're increasing our share of cold drinks space by investing in more coolers, across Coke Trademark and Monster. We have new customer wins including Kinopolis in Spain and Costco Wholesale in Australia. All helping our brands to reach more households. And we continue to accelerate our digital capabilities to reach more people, like working even more with The Coca-Cola Company on social media campaigns and by adding even better functionality to our B2B portal, myCCEP.com. Having delivered a record €2.3 billion in revenue in Europe last year, we have grown again by almost 10% in H1.*

### *Damian Gammell: Done sustainably*

*And now onto our sustainability highlights, before handing over to Ed. We continued to be recognised externally, including retaining our inclusion on CDP's A List for Climate, now for the 9th year.*

*Ongoing progress in the area of packaging collection remains a core focus including new recycling partnerships in our Pacific region. And we continue to invest in sustainability focused technology through our ventures arm, across ingredients, manufacturing, and packaging to support our decarbonisation journey. For example, we have invested in a climate tech company that can convert wastewater into a source of renewable electricity. We're currently trialling this technology at one of our sites in GB.*

*Just one example of how we are making CCEP a more sustainable and better business.*

*I would now like to hand over to Ed to talk about the financials in more detail. Ed.*

### *Ed Walker: H1 25 Financial Summary*

*Thanks Damian and thank you all for joining us today.*

*So for half 1 we delivered revenue of €10.3bn which was up 2.5%. Comparable volumes selling days adjusted were marginally ahead, up 0.3% despite the challenging backdrop in Indonesia. Excluding Indonesia, volumes were up around 1%, supported by Europe returning to volume growth in Q2.*

*We delivered strong revenue per unit case growth of 3.8% reflecting positive headline pricing and promotional optimisation, with a continued focus on consumer price relevance, all built on data and insights.*

*We benefitted from slightly earlier headline pricing in GB, and we had favourable pack mix, supported by the growth of Monster, favourable pack*

*mix driven by the growth of smaller formats such as mini-cans and a favourable geographic mix benefit, as a result of the volume decline in Indonesia which is at a lower revenue per unit case.*

*Cost of sales per unit case increased by 3.6%. This reflects our increased revenue per unit case, driving higher concentrate costs through the incidence pricing model, and the increase in soft drinks taxes. While a little higher than our guidance for the full year, this is mostly phasing related given our exit from the Beam Suntory relationship in Australia which will generate a mix benefit during H2.*

*Opex as a percentage of revenue was 21.8%, an improvement of 50 basis points. I will touch more on that a bit more on the coming slides.*

*These elements combined to drive operating profit of €1.4bn, up 7.2%, and an operating margin of 13.5%, an expansion of around 60 basis points including a modest basis point improvement in our gross margin percentage.*

*We delivered comparable diluted earnings per share of €2.02, up 3.1% on an FX neutral basis, lower than the 7.2% growth in operating profit, driven by our previously guided increase in our effective tax rate to 26%. This impact is most significant for H1 than it will be at the full year, due to the phasing of last year's tax expense.*

*Comparable free cash flow generation continues to be a core priority for CCEP and we delivered 425 million euros in H1. This was after investing in key projects such as the addition of new aseptic lines in France and Australia, expanded ARTD capacity for Jack Daniels & Coke and of course more coolers which Damian referenced earlier. We remain on track to deliver comparable free cash flow of at least 1.7 billion euros for the year.*

*And finally on shareholder returns, our first half dividend was €0.79 cents per share, with around €460 million of our €1 billion share buyback now completed.*

***Ed Walker: Next phase of efficiencies delivering earlier than plan***



*Now onto efficiency and productivity where, as you know, we have a proven track record of delivery. Our current programme aims to deliver between 350 and 400 million euros of savings by 2028, and it is firmly on track, delivering slightly earlier than our original plan.*

*We continue to optimise our network in market to strengthen our local operating model such as the rationalisation of distribution sites in Germany, the consolidation of production into fewer, bigger, more efficient plants like at Grigny in Paris, which will end up serving nearly half of the French market. And, in Indonesia we recently announced the closure of 3 single-line production sites.*

*In May, I spoke in detail about the development of our leading shared service capabilities which until now, have focused on Bulgaria. In July, as Damian mentioned earlier, I attended the opening of our new integrated shared service centre in Manila, which will continue to ramp up as the year progresses. And I know, having also visited Bulgaria only last week, that the growing capabilities of our shared services will continue to be a significant source of value creation and competitive advantage, all enabled by technology.*

### **Ed Walker: FY25 Updated guidance**

*Before I hand back to Damian, let me update you on our FY25 guidance which reflects our current view of market conditions.*

*Our profit and cash flow guidance remain unchanged.*

*From a revenue perspective, we're pleased to have delivered a solid first half performance driven by consistent revenue per unit case growth and supported by a return to volume growth in Europe in Q2.*

*We've had a strong start to the second half and are encouraged to have seen European volume growth continue, more than offsetting a slowdown in Indonesia and the recent impact of flooding in the Philippines.*

*With 5 months of the year still to go, including the key European summer, we're now indicating a range on revenue for the full year of 3 to 4%, with the upper end remaining in line with our previous guidance, supported by our very strong commercial plans.*

*We expect to see volume growth for the full year, with growth in Europe and in APS, despite the weakness in Indonesia.*

*On cost of sales per case, as I mentioned earlier, we still expect this to grow by around 2% for the year, with the second half benefiting from the exit of the Beam Suntory relationship in Australia.*

*While our guidance for full year operating profit remains at around 7% on an FX neutral basis, we are impacted by a higher effective tax rate, at 26% versus 25% last year, growth in non-controlling interest given the positive outlook in the Philippines and a slightly higher finance.*

*And then finally on FX, although our guidance is provided on an FX neutral basis, based on current spot rates, we do anticipate a full year FX headwind of around 150 basis points to revenue and almost 200 basis points to operating profit.*

*Thank you and now back to Damian.*

### ***Damian Gammell: Mid-term objectives***

*Thanks Ed*

*Just a reminder of our mid-term objectives which we reaffirmed in May.*

### ***Damian Gammell: Focus areas to accelerate growth in CCEP's next phase***

*This was a slide that we also talked to in May covering our focus areas that you can expect us to keep revisiting as we look to our next phase of growth. So, I'd like to touch on a few of these now.*

### ***Damian Gammell: Bolder moves on Coke***

*I've already mentioned the fantastic execution we've seen in both the Share A Coke campaign and on This is My Taste, our campaign to reinvigorate Diet Coke which has supported an improved performance in both GB & Australia during the half.*

*But there's much more to come, across Original Taste and lights, starting with the terrific Star Wars collaboration, a favourite of mine, on limited edition cans, a new "Time for a Coke" campaign and another favourite of mine, the exciting new tie up with the English Premier League, which will see packs in your team's colours during the upcoming season.*

### ***Damian Gammell: Energy – accelerating growth***

*I referenced earlier the phenomenal performance in Energy during the half, with strong share gains and volume growth.*

*There remains plenty of headroom for growth in this category given lower per caps relative to the US as we highlighted in May. Our step up in cooler placements is supporting wider distribution in AFH helping to close the gap relative to Coke. And its working, with Monster growth in AFH of 20% during H1.*

### ***Damian Gammell: Stronger portfolio – evolving RTD Tea & ARTD***

*Early days in our exciting journey in the fast-growing Alcohol Ready to Drink category. In Australia however, we are already a solid number 2 with around a 20% share in a category that's over 15% of total alcohol. Now is the time to further leverage that expertise we've built up over nearly 20 years in the market, by aligning our portfolio with The Coca-Cola Company.*

*With that in mind and as previously discussed, the relationship with Beam Suntory came to an end at the end of June. While this creates a near-term headwind reflecting its higher revenue per unit case, as you will see detailed on the slide, this is the right decision for the long-term. We are now able to build an even stronger brand platform, starting with Billson's & the launch of Bacardi & Coca-Cola which comes to the Australian market in the next few months.*

*Another area of alignment has been in Spain in RTD Tea where we are transitioning away from Nestea to the stronger Fuze Tea platform. Brilliant execution and marketing are delivering both distribution and performance ahead of plan. Demonstrated by our number 1 year to date category value share with Fuze Tea.*

*We've also recently reformulated and relaunched our RTD Tea in Indonesia, Frestea. This will be rolling out in a variety of new flavours including Passion fruit and Apple with lemongrass, and with a new look over the coming months.*

### ***Damian Gammell: Indonesia – short-term impacted by weaker macro***

*Touching now on Indonesia. As highlighted at our investor event, the macroeconomic slowdown is impacting household consumption which has affected local, regional and international brands alike. As Ed said earlier, excluding Indonesia, volumes were up around 1% in the first half.*

*Putting aside the near-term headwinds, we remain excited about the long-term and significant opportunity in a market of close to 300 million people, half of whom are under 30, very few of whom drink alcohol. So we are pushing on at pace, particularly with the transformation of our network and route to market. Ed mentioned earlier the closure of three single line plants to make us more efficient.*

*We've also taken a further step towards completing our move away from direct delivery to a partner distributor model, with Bali now underway and Java set to complete during H2. This will give us the ability to effectively grow distribution and availability as we continue to develop the sparkling category and the reach of our brands, supported by The Coca-Cola Company, to what we see is a very exciting consumer landscape of the future.*

### ***Damian Gammell: Unlocking more value with tech & AI***

*The last area I wanted to touch on ahead of taking your questions, and arguably one of the most important, is around digital and technology.*

*We've talked before about operating from multiple platforms, our legacy as a business of mergers. The alignment of those systems, as we move to our new technology platform S/4/HANA, is progressing to plan with our first market, Germany, starting to go live in H2.*

*Whilst nobody could ever describe SAP transitions as exciting, the unification of our data under one platform & the simplification of process is enabling us*

*to start unlocking more value through our multi-year investments in tech and AI, leveraging solutions & insights to drive topline growth & productivity – and that IS exciting!*

*We continue to evolve and improve Red One, our proprietary data-driven field sales tool which gives every rep all of the information and analytics they need to help optimise routes, prioritise visits, review performance and tailor our actions to each specific customer. We recently introduced an AI based tool which through image recognition, enables them to dynamically track & record key store measurements like share of visible inventory.*

*KAM 360 is now used by our 850 key account managers to effectively partner with their customers, enabling the creation of joint plans & effective trade investments. It supports areas such as pack price and promo simulations, price elasticity modelling, all of which are a critical part of our market leading revenue and margin growth management capabilities.*

*And, we've recently begun piloting a new eB2B platform in Spain, Up We Go, which greatly simplifies the ordering process & strengthens our relationship with partner distributors in what remains a highly fragmented market.*

*A lot more to come in this space!*

### ***Damian Gammell: Key Messages***

*So, back to where I started. We're pleased to have delivered a solid first half performance. Given our year-to-date performance, strong commercial plans for the balance of the year, FY25 pricing in place, continued focus on productivity and a good start to the second half, we are pleased to be reaffirming our full-year profit and cash guidance.*

*Its an honour of leading a great business with strong fundamentals in place, operating in categories that are healthy and growing.*

### ***Damian Gammell: Delivering future shareholder returns***

*So, finally, to a quick reminder of our investment story on a page as we shared in May. We're confident we have the right strategy, done sustainably*

*to deliver on our mid-term growth objectives. We are winning today but we're also focusing on creating tomorrow.*

*Thank you all for joining us – I'll now hand back to the operator to facilitate your questions.*