Strong growth and share gains

Coca-Cola HBC AG, a growth-focused Consumer Packaged Goods business and strategic bottling partner of The Coca-Cola Company, reports its financial results for the six months ended 28 June 2024.

Half-year highlights

- **Focused execution of strategic priorities drives strong organic revenue growth of 13.6%**[1]
  - Organic volume grew 3.1%, with our strategic priority categories all driving growth, Sparkling +0.9%, Energy +32.8% and Coffee +21.6%; Q2 volumes grew 4.2%, with all segments contributing
  - Organic revenue per case growth of 10.2%, driven by targeted revenue growth management initiatives
  - Reported revenue growth of 3.1%, with strong organic growth mostly offset by FX headwinds in the Emerging segment
  - Further value share gains, with our share in Non-Alcoholic Ready-To-Drink (NARTD) up 170bps and Sparkling up 80bps year-to-date

- **Robust organic EBIT growth of 7.5%, with Comparable EBIT reaching €564.1 million**
  - Comparable gross profit margin grew 100 basis points, reflecting easing input cost inflation
  - Ongoing investment in the business as well as higher other operating expenses as a result of currency headwinds, resulted in opex as a percentage of revenue up 130 basis points
  - Resilient Comparable EBIT, up 0.6%; while margin was 30 basis points lower year-on-year on a reported basis, and down 60 basis points on an organic basis

- **Segmental highlights: Broad-based organic revenue growth**
  - **Established**: Organic revenue increased by 4.4%, led by revenue-per-case expansion and a resilient volume performance; organic EBIT grew 11.1%
  - **Developing**: Organic revenue up 11.5%, driven by revenue-per-case expansion, as well as volume growth; organic EBIT up 62.3%
  - **Emerging:** Organic revenue up 22.7% as we utilised revenue growth management initiatives to navigate FX headwinds in Nigeria and Egypt, and continued to drive solid volume growth; organic EBIT down 8.6%

- **EPS impacted by higher finance costs, despite EBIT growth**
  - Comparable EPS of €1.04, down 1.7% year-on-year, due to higher finance costs
  - Strong balance sheet and liquidity; dividend of €0.93 per share, up 19.2%, paid in June

- **Continued investment behind our 24/7 portfolio and strategic priorities**
  - Close collaboration with The Coca-Cola Company to capitalise on the start of the summer with music and sport, driving growth in Sparkling
  - Monster Energy Green Zero Sugar launched in 16 markets in Q1 contributed to a strong performance of Energy, with strong ongoing activation through Q2
  - Coffee growth driven by increasing share of revenue in the out-of-home channel
  - We continue to focus on driving mixability and premiumisation, introducing innovation with Schweppes and Kinley, launching Three Cents in a further nine markets, and expanding Finlandia Vodka to 19 new markets

- **Sustainability remains at the forefront**
  - Actively supported the launch of deposit return schemes in Ireland and Hungary, with both schemes expected to improve collection rates for beverage containers
  - Awarded $130 million loan in July by the European Bank of Reconstruction and Development (EBRD) to finance capex and working capital requirements, as well as supporting ongoing investment in people and sustainability, in Egypt

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[1] *For details on APMs refer to 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.*

Zoran Bogdanovic, Chief Executive Officer of Coca-Cola HBC AG, commented:

"This has been a strong first half of the year, even as we navigated challenging environments in several markets. Focused execution behind our 24/7 portfolio drove organic revenue growth of 13.6%. Supported by continued targeted investment, we have delivered organic volume growth across each of our strategic priority categories of Sparkling, Energy and Coffee, and further increased our value share in NARTD.

"I would like to thank our teams, along with our customers, suppliers and partners for their collaboration and passion to jointly drive growth. Special thanks to The Coca-Cola Company team, with whom we work closely across our markets with agility and speed, adapting to evolving local market trends.

"Our teams continue to execute with excellence, creating joint value with customers by leveraging our bespoke capabilities and the strength of our 24/7 portfolio. While mindful of macroeconomic and geopolitical challenges as well as a more uncertain consumer environment, we are upgrading our guidance for the year, reflecting our strong first half performance and confidence that we can continue to win in the marketplace."

	Half-Year			
	2024	**2023**	**% Change Reported**	**% Change Organic[1]**
Volume (m unit cases)	**1,426.7**	1,383.1	3.2%	3.1%
Net sales revenue (€ m)	**5,175.6**	5,021.5	3.1%	13.6%
Net sales revenue per unit case (€)	**3.63**	3.63	-0.1%	10.2%
Operating profit (EBIT)[2] (€ m)	**566.1**	557.3	1.6%	
Comparable EBIT[1] (€ m)	**564.1**	560.7	0.6%	7.5%
EBIT margin (%)	**10.9**	11.1	-20bps	
Comparable EBIT margin[1] (%)	**10.9**	11.2	-30bps	-60bps
Net profit[3] (€ m)	**381.6**	385.7	-1.1%	
Comparable net profit[1,3] (€ m)	**380.3**	388.9	-2.2%	
Basic earnings per share (EPS) (€)	**1.043**	1.050	-0.7%	
Comparable EPS[1] (€)	**1.040**	1.058	-1.7%	
Free cash flow[1] (€ m)	**220.2**	256.6	-14.2%	

[1] For details on APMs refer to 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.

[2] Refer to the condensed consolidated interim income statement.

[3] Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.

Business Outlook

We have delivered a strong start to 2024 in dynamic markets. We expect the macroeconomic and geopolitical backdrop to remain challenging in the second half, with a more uncertain consumer environment. That said, we have high confidence in our 24/7 portfolio and the opportunities for growth in our diverse markets, and following our strong first half performance we are upgrading our guidance for 2024:

- Organic revenue growth of 8% to 12% (previously set at our mid-term target range of 6-7%)
- On a comparable basis, COGS per unit case should increase low to mid-single digits through the combined effect of inflation, transactional and translational FX (unchanged)
- Organic EBIT growth in the range of 7% to 12% (previously +3% to +9%)

Technical guidance

We have updated parts of our technical guidance for 2024:

FX: We expect the impact of translational FX on our Group comparable EBIT to be a €30 - 50 million headwind (unchanged).

Restructuring: We do not expect significant restructuring costs to occur (unchanged).

Tax: We expect our comparable effective tax rate to be towards the top end of our 25% to 27% range (unchanged).

Finance costs: We expect net finance costs to be between €60 - 75 million (previously €50 - 70 million).

Scope: We expect the scope impact from the Finlandia acquisition on comparable EBIT to be €10 - 12 million (previously €5 – 10 million).

Group Operational Review

Leveraging our unique 24/7 portfolio

Organic revenue grew by 13.6% in the first half, driven by growth across the three levers of volume, price and mix. Reported net sales revenue increased by 3.1%, with strong organic growth partly offset by a negative foreign currency impact due to the depreciation of the Nigerian Naira, Egyptian Pound and Russian Rouble.

Organic volume grew by 3.1% in the first half, with growth in our strategic priority categories of Sparkling, Energy and Coffee.

- **Sparkling** volumes grew by 0.9%, with an acceleration in growth in Q2. Trademark Coke grew by low-single digits and Coke Zero grew mid-single digits, thanks to our work with The Coca-Cola Company to capitalise on the start of the summer with music and sport. We delivered low-teens growth in Adult Sparkling, supported by innovation in Schweppes and Kinley, such as new flavours and package formats, as well as the launch of Three Cents in a further nine markets.
- **Energy** volumes grew by 32.8%, with strong momentum in all segments despite new regulation in Poland and Romania. In Established and Developing markets, growth was driven by Monster, while in Emerging we saw strong growth of Predator. Monster Energy Green Zero Sugar was launched in 16 markets, with encouraging first signs.
- **Coffee** volumes grew 21.6%. We continued to make good progress on out-of-home customer recruitment, adding 1,500 outlets in the first half.
- **Still** volumes grew by 5.2%. Water grew high-single digits on easy comparatives. In Sports Drinks we continued to deliver strong growth, with mid-teens expansion in the first half, supported by the launch of Powerade in two new markets. We also launched Vitamin Water in two new markets.
- **Premium Spirits** volumes grew by 17.3% on an organic basis, led by the Developing segment. We expanded Finlandia Vodka into 19 markets in the period, where we didn't have distribution rights prior to acquisition. Finlandia Vodka is enhancing our premium spirits credentials and opening incremental mixability opportunities for our NARTD portfolio. We also launched Jack Daniel's & Coca-Cola in a further 14 markets in the period.

Winning in the marketplace

Organic net sales revenue per case expanded by 10.2% in the first half. Pricing remained the primary driver, and in H1 we took actions to mitigate ongoing inflation, currency devaluation, regulation and taxation in specific markets. In addition, we benefitted from the cycling impact of pricing taken in 2023, an impact we expect to reduce in the second half.

In H1 we continued to use our revenue growth management framework to provide both affordability and premiumisation solutions for customers. We benefit from the breadth of our portfolio of categories and brands at different price points, but also our ability to adapt package formats for different occasions and affordability needs. For example, we rolled out the 300ml PET to Romania and Hungary, following a successful launch of this pack size at an affordable price point in Bulgaria in 2022. We are also seeing good results from our affordably priced returnable glass bottles (RGB) in Nigeria, with volumes up 27%, as well as strong growth in Egypt where volumes grew by 41%.

Group Operational Review (continued)

Premiumisation remains important. We saw good progress in Austria with our premium RGB portfolio, and drove mini-can activation and expansion in our Established markets. Our category mix benefitted from a good performance of Energy, as well as Adult Sparkling.

Package mix saw further improvements, with total single-serve mix up 130 basis points in the first half, with single-serve mix in Sparkling up 150 basis points, as we drove activations of single-serve multipacks.

We continue to invest in our leading data, insights and analytics capabilities, and our ability to segment our customer base and personalise portfolio assortments to address specific consumer needs continues to improve. We are further enhancing segmentation in the out-of-home channel to segment outlets based on categories to activate our 24/7 portfolio.

Our execution in the marketplace and joint value creation with customers enabled us to gain further value share. We gained 170 basis points of value share in NARTD and 80 basis points in Sparkling year-to-date.

Operating profit, margins and cost control

Comparable gross profit grew by 6.0%, leading to a comparable gross profit margin of 36.0%, an improvement of 100 basis points. Comparable COGS per unit case decreased by 1.6%, reflecting easing input cost inflation and the benefit from translational FX on the COGS line.

Comparable operating expenses as a percent of revenue increased by 130 basis points to 25.3%, driven by ongoing investment, including hiring new salespeople to support growth across the business. We also faced higher other operating expenses, principally driven by the foreign currency mark-to-market (remeasurement) of balance sheet items in Emerging markets.

Comparable EBIT increased by 7.5% on an organic basis, while the comparable EBIT margin was down 60 basis points. On a reported basis, Comparable EBIT margin was 10.9%, down 30 basis points, principally driven by organic growth across our markets, more than offset by increased operating expenses. Comparable EBIT increased by 0.6% on a reported basis to €564.1 million, benefitting from organic growth across our markets.

We faced a negative translational and transactional foreign currency impact in the first half of the year, mainly due to the depreciation of the Nigerian Naira, Egyptian Pound and the Russian Rouble.

Net profit and free cash flow

Comparable net profit of €380.3 million and comparable basic earnings per share of €1.040 were 2.2% and 1.7% lower than in the prior-year period, respectively. Reported net profit and reported basic earnings per share of €381.6 million and €1.043 respectively were 1.1% and 0.7% lower compared to last year, driven by higher finance costs.

Comparable taxes were €140.0 million, representing a comparable tax rate of 27%, at the top end of our 2024 guidance range of 25% to 27%.

Net financing costs were €15 million higher than the prior-year period, at €46.4 million, mainly driven by higher net foreign exchange losses.

Capital expenditure decreased by €36.0 million to €202.8 million, equivalent to 3.9% of our revenue, reflecting phasing of our investment activities within the year.

Free cash flow was €220.2 million, €36.4 million lower compared to the prior-year period, primarily driven by adverse working capital, slightly mitigated by the decrease in capital expenditure.

Group Operational Review (continued)

ESG leadership

In the first half of 2024 we continued to make good progress on sustainability.

Packaging circularity remains at the top of our agenda. We continue to work actively to support the launch of well-designed deposit return schemes (DRS), which are an important way to ensure high packaging collection rates. DRS went live in Ireland and Hungary in the period. It is encouraging to see that in these countries, and in Romania where DRS has been operating for over eight months, the transitions are progressing in line with plans, and customers and consumers are responding positively.

In July, we were awarded a $130 million loan by the EBRD to finance capex and working capital requirements in Egypt. The loan will also support our ongoing investment in people and in developing sustainability solutions in Egypt. For example, it will enable us to continue funding our #YouthEmpowered and 'She Leads' programmes, and continue investing in energy-efficient coolers and sustainable packaging innovation.

The loan will be complemented by a grant of $750,000 from the Global Environment Facility for developing advanced wastewater treatment technology and water management systems in Egypt, in line with EU standards.

Operational Review by Reporting

Established markets

	Half-Year			
	2024	**2023**	**% Change Reported**	**% Change Organic**
Volume (m unit cases)	**306.3**	306.4	—	-0.2%
Net sales revenue (€ m)	**1,715.1**	1,628.0	5.4%	4.4%
Net sales revenue per unit case (€)	**5.60**	5.31	5.4%	4.5%
Operating profit (EBIT) (€ m)	**194.0**	170.8	13.6%	
Comparable EBIT (€ m)	**194.1**	171.3	13.3%	11.1%
EBIT margin (%)	**11.3**	10.5	80bps	
Comparable EBIT margin (%)	**11.3**	10.5	80bps	70bps

Established markets net sales revenue grew by 4.4% and 5.4% on an organic and reported basis respectively.

Organic growth in net sales revenue per case was 4.5%, with the segment benefitting from pricing actions taken through 2023 as well as specific additional increases in H1 2024. We also saw positive package mix, with single-serve mix improving 120 basis points.

Volume in the first half was broadly in line with last year, but returned to growth in Q2. Sparkling declined low-single digits, despite growth from Coke Zero and Adult Sparkling. Energy saw continued strong momentum, with volumes growing high-single digits in the period, despite tough comparatives. Stills grew low-single digits, with Sport drinks growing high-single digits.

- Volumes in Greece grew by mid-single digits on tough comparatives, driven by our strong execution and an earlier start to seasonal activations, helped by the timing of Easter. Sparkling was up by low-single digits, led by Coke Zero, and Adult Sparkling performed strongly, up low-double digits. Coffee grew low-teens and Stills were up by low-double digits driven by Water.

- In Ireland, volumes decreased by low-single digits, as consumers adjusted to the impact of the DRS launched in February in the Republic of Ireland; encouragingly, volumes improved in Q2 relative to Q1. Sparkling fell by mid-single digits, while Energy delivered high-single digit growth on tough comparatives. Stills declined by high-single digits driven by Water.

- In Italy, volumes declined by low-single digits in the first half but grew low-single digits in Q2. Sparkling declined by low-single digits, but we saw growth in Coke Zero, Coke Zero Sugar Zero Caffeine and Adult Sparkling. Energy grew high-single digits, while Stills declined mid-single digits, driven by Water.

- In Switzerland, volumes were steady for the period, with a low-single digit decline in Sparkling, while Stills grew mid-single digits. Energy grew strong double-digits in the period.

Comparable EBIT in the Established segment increased by 13.3% to €194.1 million, an organic growth rate of 11.1%. Comparable EBIT margin was 11.3%, up 70 basis points on an organic basis, driven by good leverage from top line growth as well as lower inflation in COGS per unit case.

Operational Review by Reporting Segment (continued)

Developing markets

	Half-Year			
	2024	2023	% Change Reported	% Change Organic
Volume (m unit cases)	**234.3**	227.3	3.1%	3.1%
Net sales revenue (€ m)	**1,123.3**	985.2	14.0%	11.5%
Net sales revenue per unit case (€)	**4.79**	4.33	10.6%	8.1%
Operating profit (EBIT) (€ m)	**117.4**	67.2	74.7%	
Comparable EBIT (€ m)	**118.3**	67.3	75.8%	62.3%
EBIT margin (%)	**10.5**	6.8	360bps	
Comparable EBIT margin (%)	**10.5**	6.8	370bps	310bps

Net sales revenue grew by 11.5% and 14.0% on an organic and reported basis respectively, with positive impacts from the consolidation of Finlandia and from movements in the Polish Zloty.

Organic net sales revenue per case increased by 8.1%. The segment benefitted from carryover pricing, as well as favourable category mix.

Developing markets volume grew by 3.1%. Sparkling volumes grew by mid-single digits, driven by Coke Zero and Sprite. Energy also delivered mid-single digit growth, driven by Monster. Stills declined low-single digits, driven by Water and Juice, however Sports Drinks grew strong double-digits.

- Poland volumes increased by low-single digits. Sparkling volumes were up low-single digits, with good performances from Coke Zero, Coke Zero Sugar Zero Caffeine, Sprite and Adult Sparkling. Energy grew low-single digits in the period, impacted by the introduction of regulatory measures in January, but returned to volume growth in Q2. Stills volumes declined high-single digits, driven by Water and Juice.

- In Hungary, volumes increased low-single digits, with mid-single digit growth in Sparkling offset by a low-single digit decline in Stills. Energy continued to perform strongly, up over 20%, as did Coffee.

- Volume in Czech increased by low-double digits, with low-teens growth in Sparkling and mid-single digits growth in Stills. Trademark Coke saw a strong rebound on soft comparatives. Coffee grew high-teens.

Comparable EBIT in the Developing segment increased by 75.8% to €118.3 million, an organic growth rate of 62.3%. Comparable EBIT margin was 10.5%, up 310 basis points on an organic basis, benefitting from good leverage from strong top line growth as well as lower inflation in COGS per unit case.

Operational Review by Reporting Segment (continued)

Emerging markets

	Half-Year			
	2024	**2023**	**% Change Reported**	**% Change Organic**
Volume (m unit cases)	**886.1**	849.4	4.3%	4.3%
Net sales revenue (€ m)	**2,337.2**	2,408.3	-3.0%	22.7%
Net sales revenue per unit case (€)	**2.64**	2.84	-7.0%	17.6%
Operating profit (EBIT) (€ m)	**254.7**	319.3	-20.2%	
Comparable EBIT (€ m)	**251.7**	322.1	-21.9%	-8.6%
EBIT margin (%)	**10.9**	13.3	-240bps	
Comparable EBIT margin (%)	**10.8**	13.4	-260bps	-370bps

Net sales revenue grew by 22.7% on an organic basis, but declined 3.0% on a reported basis, with strong organic growth offset by the impact of the depreciation of the Nigerian Naira, Egyptian Pound and the Russian Rouble.

Net sales revenue per case grew 17.6% organically, benefitting from pricing actions taken throughout the period to manage the impact of currency devaluation and cost inflation, as well as benefitting from positive category and package mix.

Emerging markets volume grew by 4.3% organically. Sparkling volumes increased by low-single digits and Still volumes were up high-single digits. Energy accelerated its growth rate, despite tough comparatives.

- Volume in Nigeria increased by low-double digits, reflecting our good execution in the market to navigate a challenging macroeconomic environment. Sparkling volumes grew low-double digits driven by Trademark Coke, with growth led by affordable offers. Adult Sparkling grew strong double-digits, as our premiumisation initiatives to drive Schweppes are seeing good results. Energy also delivered strong double-digit growth, despite tough comparatives. Stills declined low-single digits due to Water, even though Juices grew low-double digits. We continued to implement pricing and mix initiatives to manage cost inflation and currency devaluation, while still gaining value share.
- Volume in Romania declined by mid-single digits. The consumer environment remained challenging, impacted by the introduction of a sugar tax in January and the launch of a DRS in November 2023. Sparkling fell mid-single digits and Stills declined low-single digits. Coffee continued to grow above 20%, while Energy declined high-single digits, impacted by the introduction of regulatory measures in March.
- Volumes in Egypt grew by mid-single digits, led by Water growing over 20% on soft comparatives. Sparkling declined by mid-single digits in the half year, but returned to growth in Q2, supported by the breadth of our portfolio in a challenging environment. Trademark Coke declined double-digits as it saw the greatest impact from pushback against some Western brands, albeit improving in Q2 compared to Q1. Energy grew very strongly on the back of its launch in 2023. We proactively drove strong price mix to manage inflation and the currency devaluation in the period.
- Ukraine volume fell low-single digits. Sparkling declined mid-single digits, but we saw growth in Coke Zero, Adult Sparkling and Sprite. We saw good growth in Energy, up over 20%, as well as Stills, up high-single digits.
- Volumes in Serbia grew low-single digits, driven by Stills. Sparkling volume was broadly unchanged, despite strong growth from Coke Zero. Energy and Coffee also delivered strong growth.
- Russia volume grew by low-single digits, as we continued to operate a local, self-sufficient business.

Comparable EBIT in the Emerging segment decreased by 8.6% on an organic basis and 21.9% on a reported basis, to €251.7 million. Comparable EBIT margin was 10.8%, down 370 basis points on an organic basis. The devaluations of the Nigerian Naira and Egyptian Pound meant that we faced transactional FX headwinds at the COGS level, as well as higher other operating expenses, due to the foreign currency mark-to-market (remeasurement) of balance sheet items.

Conference call

Coca-Cola HBC's management will host a conference call for investors and analysts on Wednesday, 7 August 2024 at 9:00 am BST. To join the call in listen-only mode, please join via the link webcast. If you anticipate asking a question, please click here to register and to find dial-in details.

Next event

8 October 2024	Bitesize webinar
31 October 2024	2024 Third quarter trading update

Enquiries

Coca-Cola HBC Group

Investors and Analysts:

Joanna Kennedy	Tel: +44 7802 427505
Head of Investor Relations	joanna.kennedy@cchellenic.com
Jemima Benstead	Tel: +44 7740 535130
Senior Investor Relations Manager	jemima.benstead@cchellenic.com
Virginia Phillips	Tel: +44 7864 686582
Investor Relations Manager	virginia.phillips@cchellenic.com
Konstantina Galani	Tel: +30 6973232802
Investor Relations Manager	konstantina-styliani.galani@cchellenic.com

Media:

Sonia Bastian	Tel: +41 7946 88054
Head of Communications	sonia.bastian@cchellenic.com
Claire Evans	Tel: +44 7597 562 978
Senior Communications Manager	claire.evans@cchellenic.com

Greek media contact:

V+O Communications	Tel: +30 694 454 8914
Sonia Manesi	sm@vando.gr

Coca-Cola HBC Group

Coca-Cola HBC is a growth-focused consumer packaged goods business and strategic bottling partner of The Coca-Cola Company. We open up moments that refresh us all, by creating value for our stakeholders and supporting the socio-economic development of the communities in which we operate. With a vision to be the leading 24/7 beverage partner, we offer drinks for all occasions around the clock and work together with our customers to serve 740 million consumers across a broad geographic footprint of 29 countries. Our portfolio is one of the strongest, broadest and most flexible in the beverage industry, with consumer-leading beverage brands in the sparkling, adult sparkling, juice, water, sport, energy, ready-to-drink tea, coffee, and premium spirits categories. These include Coca-Cola, Coca-Cola Zero Sugar, Fanta, Sprite, Schweppes, Kinley, Costa Coffee, Caffè Vergnano, Valser, FuzeTea, Powerade, Cappy, Monster Energy, Finlandia Vodka, The Macallan, Jack Daniel's and Grey Goose. We foster an open and inclusive work environment amongst our 33,000 employees and believe that building a more positive environmental impact is integral to our future growth. We rank among the top sustainability performers in ESG benchmarks such as the Dow Jones Sustainability Indices, CDP, MSCI ESG, FTSE4Good and ISS ESG.

Coca-Cola HBC has a premium listing on the London Stock Exchange (LSE: CCH) and is listed on the Athens Exchange (ATHEX: EEE). For more information, please visit https://www.coca-colahellenic.com/

Financial information in this announcement is presented on the basis of International Financial Reporting Standards (IFRS).

Special Note Regarding the Information set out herein

Unless otherwise indicated, the condensed consolidated interim financial statements and the financial and operating data or other information included herein relate to Coca-Cola HBC AG and its subsidiaries ('Coca-Cola HBC' or the 'Company' or 'we' or the 'Group').

Forward-Looking Statements

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as 'believe', 'outlook', 'guidance', 'intend', 'expect', 'anticipate', 'plan', 'target' and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding our future financial position and results, our outlook for 2024 and future years, business strategy and the effects of the global economic slowdown, the impact of the sovereign debt crisis, currency volatility, our recent acquisitions, and restructuring initiatives on our business and financial condition, our future dealings with The Coca-Cola Company, budgets, projected levels of consumption and production, projected raw material and other costs, estimates of capital expenditure, free cash flow, effective tax rates and plans and objectives of management for future operations, are forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they reflect our current expectations and assumptions as to future events and circumstances that may not prove accurate. Our actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in the 2023 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries.

Although we believe that, as of the date of this document, the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we, nor our directors, employees, advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. After the date of the condensed consolidated interim financial statements included in this document, unless we are required by law or the rules of the UK Financial Conduct Authority to update these forward-looking statements, we will not necessarily update any of these forward-looking statements to conform them either to actual results or to changes in our expectations.

Alternative Performance Measures

The Group uses certain Alternative Performance Measures (APMs) in making financial, operating and planning decisions as well as in evaluating and reporting its performance. These APMs provide additional insights and understanding to the Group's underlying operating and financial performance, financial condition and cash flow. The APMs should be read in conjunction with and do not replace by any means the directly reconcilable IFRS line items. For more details on APMs please refer to 'Definitions and reconciliations of APMs' section.

Group Financial Review

Income statement	Half-Year			
	2024 € million	**2023 € million**	**% Change Reported**	**% Change Organic[1]**
Volume (m unit cases)	**1,426.7**	1,383.1	3.2%	3.1%
Net sales revenue	**5,175.6**	5,021.5	3.1%	13.6%
Net sales revenue per unit case (€)	**3.63**	3.63	-0.1%	10.2%
Cost of goods sold	**(3,306.0)**	(3,259.9)	1.4%	
Comparable cost of goods sold[1]	**(3,310.7)**	(3,261.5)	1.5%	
Gross profit	**1,869.6**	1,761.6	6.1%	
Comparable gross profit[1]	**1,864.9**	1,760.0	6.0%	
Operating expenses	**(1,310.2)**	(1,208.4)	8.4%	
Comparable operating expenses[1]	**(1,307.5)**	(1,203.4)	8.7%	
Share of results of integral equity method investments[2]	**6.7**	4.1	63.4%	
Operating profit (EBIT)[2]	**566.1**	557.3	1.6%	
Comparable operating profit (EBIT)[1]	**564.1**	560.7	0.6%	7.5%
Adjusted EBITDA[1]	**760.6**	765.6	-0.7%	
Comparable adjusted EBITDA[1]	**758.6**	769.0	-1.4%	
Finance costs, net	**(46.4)**	(31.4)	47.8%	
Share of results of non-integral equity method investments[2]	**1.3**	1.7	-23.5%	
Profit before tax	**521.0**	527.6	-1.3%	
Comparable profit before tax	**519.0**	531.0	-2.3%	
Tax	**(140.7)**	(142.5)	-1.3%	
Comparable tax[1]	**(140.0)**	(142.7)	-1.9%	
Net profit[3]	**381.6**	385.7	-1.1%	
Comparable net profit[1,3]	**380.3**	388.9	-2.2%	
Basic earnings per share (€)	**1.043**	1.050	-0.7%	
Comparable basic earnings per share (€)[1]	**1.040**	1.058	-1.7%	

[1] *Refer to the 'Alternative Performance Measures' and 'Definitions and reconciliations of APMs' sections.*
[2] *Refer to the condensed consolidated interim income statement.*
[3] *Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

Net sales revenue grew by 13.6% on an organic basis during the first half of 2024, compared to the prior-year period, primarily driven by pricing initiatives, further supported by volume growth and favourable category and package mix; while on a reported basis, net sales revenue grew by 3.1%, impacted by unfavourable foreign currency movements.

Cost of goods sold increased by 1.4% in the first half of 2024, driven by higher volume and input costs, partially offset by foreign currency movements; while comparable cost of goods sold increased by 1.5%, further impacted by unrealised commodity hedging gains in the period.

Operating expenses increased by 8.4% and 8.7% in the first half of 2024, on a reported and comparable basis respectively, mainly due to higher sales and administration expenses, as well as the foreign currency mark-to-market (remeasurement) of balance sheet items.

Operating profit increased by 1.6% in the first half of 2024, mainly reflecting the benefits from gross profit growth, which were largely offset by higher operating expenses, as described above. Comparable operating profit grew by 7.5% on an organic basis in the first half of 2024, reflecting the benefits from organic top line growth; while on a reported basis, comparable operating profit grew by 0.6%, impacted by unfavourable foreign currency movements.

Net finance costs increased by €15.0 million in the first half of 2024, mainly driven by foreign exchange losses arising due to the devaluation of the Nigerian Naira, partially offset by higher finance income earned on the Group's cash and cash equivalents and financial assets.

Group Financial Review (continued)

Income statement (continued)

On a reported basis, the effective tax rate was 27.0% in the first half of both 2024 and 2023. On a comparable basis, the effective tax rate was 27.0% for the first half of 2024 and 26.9% for the first half of 2023. The Group's effective tax rate varies depending on the mix of taxable profits by territory, the non-deductibility of certain expenses, non-taxable income and other one-off tax items across its territories.

Net profit decreased by 1.1% in the first half of 2024, as higher operating profit was offset by higher finance costs as described above; while comparable net profit decreased by 2.2%, further impacted by higher unrealised gains from commodity hedging and lower acquisition costs, net of tax.

Balance Sheet

	As at		
	28 June 2024	**31 December 2023**	**Change**
Assets	**€ million**	**€ million**	**€ million**
Total non-current assets	**5,811.1**	5,970.6	-159.5
Total current assets	**5,008.4**	3,910.2	1,098.2
Total assets	**10,819.5**	**9,880.8**	938.7
Liabilities			
Total current liabilities	**4,393.6**	3,847.3	546.3
Total non-current liabilities	**3,424.8**	2,846.8	578.0
Total liabilities	**7,818.4**	**6,694.1**	1,124.3
Equity			
Owners to the parent	**2,909.7**	3,092.8	-183.1
Non-controlling interests	**91.4**	93.9	-2.5
Total equity	**3,001.1**	**3,186.7**	-185.6
Total equity and liabilities	**10,819.5**	**9,880.8**	938.7
Net current assets	**614.8**	**62.9**	551.9

Total non-current assets decreased by €159.5 million in the first half of 2024, primarily driven by foreign currency translation. Net current assets increased by €551.9 million in the first half of 2024, mainly driven by investments in time deposits and higher trade receivables, which were only partially offset by higher trade and other payables. Total non-current liabilities increased by €578.0 million during the first half of 2024, driven primarily by the issuance of the €600 million fixed rate bond in February 2024.

Group Financial Review (continued)

Cash flow

	Half-Year		
	2024 € million	**2023 € million**	**% Change**
Net cash from operating activities[1]	**423.0**	495.4	-14.6%
Capital expenditure[1]	**(202.8)**	(238.8)	-15.1%
Free cash flow[1]	**220.2**	256.6	-14.2%

[1] *Refer to the 'Definitions and reconciliations of APMs' section.*

Net cash from operating activities decreased by 14.6% or €72.4 million during the first half of 2024, mainly due to cash consumed from working capital movements.

Capital expenditure reduced by 15.1% in the first half of 2024. Capital expenditure amounted to €202.8 million in the period, of which 56% was related to investment in production equipment and facilities and 14% to the acquisition of marketing equipment. In the first half of 2023, capital expenditure amounted to €238.8 million of which 54% was related to investment in production equipment and facilities and 16% to the acquisition of marketing equipment.

In the first half of 2024, free cash flow decreased by 14.2% or €36.4 million, driven by the decrease in net cash from operating activities, which was only partially offset by the reduction in capital expenditure.

Definitions and reconciliations of APMs

1. Comparable APMs[1]

In discussing the performance of the Group, 'comparable' measures are used. Comparable measures are calculated by deducting from the directly reconcilable IFRS measures the impact of the Group's restructuring costs, the mark-to-market valuation of the commodity hedging activity, the acquisition, integration and divestment-related costs, the impairment of goodwill and indefinite-lived intangible assets, the Russia-Ukraine conflict impact and certain other tax items, which are collectively considered as items impacting comparability, due to their nature. More specifically the following items are considered as items that impact comparability:

1) *Restructuring costs*
Restructuring costs comprise costs arising from significant changes in the way the Group conducts business, such as significant supply chain infrastructure changes, outsourcing of activities and centralisation of processes. These costs are included within the income statement line 'Operating expenses'; however, they are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance achieved from underlying activity. Restructuring costs resulting from initiatives driven by the Russia-Ukraine conflict are presented under the 'Russia-Ukraine conflict impact' item, to provide users complete information on the financial implications of the conflict.

2) *Commodity hedging*
The Group has entered into certain commodity derivative transactions in order to hedge its exposure to commodity price risk. Although these transactions are economic hedging activities that aim to manage our exposure to sugar, aluminium, gas oil and plastics price volatility, hedge accounting has not been applied in all cases. In addition, the Group recognises certain derivatives embedded within commodity purchase contracts that have been accounted for as stand-alone derivatives and do not qualify for hedge accounting. The fair value gains or losses on the derivatives and embedded derivatives are immediately recognised in the income statement in the cost of goods sold and operating expenses line items. The Group's comparable results exclude the gains or losses resulting from the mark-to-market valuation of these derivatives to which hedge

[1] *Comparable APMs refer to comparable cost of goods sold, comparable gross profit, comparable operating expenses, comparable EBIT, comparable EBIT margin, comparable Adjusted EBITDA, comparable profit before tax, comparable tax, comparable net profit and comparable EPS.*

accounting has not been applied (primarily plastics) and embedded derivatives. These gains or losses are reflected in the comparable results in the period when the underlying transactions occur, to match the profit or loss to that of the corresponding underlying transactions. We believe this adjustment provides useful information related to the impact of our economic risk management activities.

3) *Acquisition, integration and divestment-related costs or gains*
Acquisition costs comprise costs incurred to effect a business combination such as finder's fees, advisory, legal, accounting, valuation and other professional or consulting fees as well as changes in the fair value of contingent consideration recognised in the income statement. They also include any gain from bargain purchase arising from business combinations, as well as any gain or loss recognised in the income statement from the remeasurement to fair value of previously held interests and the reclassification to the income statement of items of other comprehensive income resulting from step acquisitions. Integration costs comprise direct incremental costs necessary for the acquiree to operate within the Group. Divestment-related costs comprise transaction expenses, including advisory, consulting, and other professional fees to effect the disposal of a subsidiary or equity method investment, any impairment losses or write-downs to fair value less costs to sell recognised in the income statement upon classification as held for sale and any relevant disposal gains or losses or reversals of impairment recognised in the income statement upon disposal. These costs or gains are included within the income statement line 'Operating expenses', however to the extent that they relate to business combinations or divestments that have been completed or are expected to be completed, they are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance achieved from underlying activity.

4) *Impairment of goodwill and indefinite-lived intangible assets*
Impairment losses recognised for goodwill and indefinite-lived intangible assets as well as reversals of impairment losses recognised for indefinite-lived intangible assets, are included within the income statement line 'Operating expenses'; however they are excluded from comparable results so that the users can obtain a better understanding of the Group's ongoing operating and financial performance.

5) *Russia-Ukraine conflict impact*
As a result of the conflict between Russia and Ukraine, the Group recognised net impairment losses for property, plant and equipment, intangible assets and equity method investments as well as restructuring costs, in connection with the new business model in Russia and adverse changes to the economic environment. The Group also recognised incremental allowance for expected credit losses and write-offs of inventory and property, plant and equipment resulting from the Russia-Ukraine conflict. The aforementioned net impairment losses were included within the income statement line 'Exceptional items related to Russia-Ukraine conflict' so as to provide users with enhanced visibility over these items considering their materiality, while remaining costs were included within 'Operating expenses' and 'Cost of goods sold' lines of the income statement accordingly. Net impairment losses and other costs directly attributable to the Russia-Ukraine conflict are excluded from the comparable results so that the users can obtain a better understanding of the Group's operating and financial performance from underlying activity.

6) *Other tax items*
Other tax items represent the tax impact of (a) changes in income tax rates affecting the opening balance of deferred tax arising during the year and (b) certain tax related matters selected based on their nature. Both (a) and (b) are excluded from comparable after-tax results so that the users can obtain a better understanding of the Group's underlying financial performance.

Definitions and reconciliations of APMs (continued)

The Group discloses comparable performance measures to enable users to focus on the underlying performance of the business on a basis which is common to both periods for which these measures are presented.

The reconciliation of comparable measures to the directly related measures calculated in accordance with IFRS is as follows:

Reconciliation of comparable financial indicators *(numbers in € million except per share data)*

	Half-year 2024								
	COGS	Gross Profit	Operating expenses	EBIT	Adjusted EBITDA	Profit before tax	Tax	Net Profit[1]	EPS (€)
As reported	**(3,306.0)**	**1,869.6**	**(1,310.2)**	**566.1**	**760.6**	**521.0**	**(140.7)**	**381.6**	**1.043**
Restructuring costs	**—**	**—**	**2.1**	**2.1**	**2.1**	**2.1**	**(0.5)**	**1.6**	**0.004**
Commodity hedging	**(4.7)**	**(4.7)**	**—**	**(4.7)**	**(4.7)**	**(4.7)**	**1.2**	**(3.5)**	**(0.009)**
Acquisition costs	**—**	**—**	**0.6**	**0.6**	**0.6**	**0.6**	**—**	**0.6**	**0.002**
Comparable	**(3,310.7)**	**1,864.9**	**(1,307.5)**	**564.1**	**758.6**	**519.0**	**(140.0)**	**380.3**	**1.040**

	Half-year 2023								
	COGS	Gross Profit	Operating expenses	EBIT	Adjusted EBITDA	Profit before tax	Tax	Net Profit[1]	EPS (€)
As reported	(3,259.9)	1,761.6	(1,208.4)	557.3	765.6	527.6	(142.5)	385.7	1.050
Restructuring costs	—	—	1.3	1.3	1.3	1.3	(0.3)	1.0	0.003
Commodity hedging	(1.6)	(1.6)	—	(1.6)	(1.6)	(1.6)	0.2	(1.4)	(0.004)
Acquisition costs	—	—	3.3	3.3	3.3	3.3	—	3.3	0.009
Russia-Ukraine conflict impact	—	—	0.4	0.4	0.4	0.4	(0.1)	0.3	—
Comparable	(3,261.5)	1,760.0	(1,203.4)	560.7	769.0	531.0	(142.7)	388.9	1.058

[1] *Net Profit and comparable net profit refer to net profit and comparable net profit respectively after tax attributable to owners of the parent.*

Reconciliation of comparable EBIT per reportable segment *(numbers in € million)*

	Half-year 2024			
	Established	Developing	Emerging	Consolidated
EBIT	**194.0**	**117.4**	**254.7**	**566.1**
Restructuring costs	**(0.1)**	**—**	**2.2**	**2.1**
Commodity hedging	**(0.4)**	**0.9**	**(5.2)**	**(4.7)**
Acquisition costs	**0.6**	**—**	**—**	**0.6**
Comparable EBIT	**194.1**	**118.3**	**251.7**	**564.1**

	Half-year 2023			
	Established	Developing	Emerging	Consolidated
EBIT	170.8	67.2	319.3	557.3
Restructuring costs	—	—	1.3	1.3
Commodity hedging	(0.3)	(0.4)	(0.9)	(1.6)
Acquisition costs	0.8	0.5	2.0	3.3
Russia-Ukraine conflict impact	—	—	0.4	0.4
Comparable EBIT	171.3	67.3	322.1	560.7

Definitions and reconciliations of APMs (continued)

2. Organic APMs

Organic growth

Organic growth enables users to focus on the operating performance of the business on a basis which is not affected by changes in foreign currency exchange rates from period to period or changes in the Group's scope of consolidation ('consolidation perimeter') i.e. acquisitions, divestments and reorganisations resulting in equity method accounting. Thus, organic growth is designed to assist users in better understanding the Group's underlying performance.

More specifically, the following items are adjusted from the Group's volume, net sales revenue and comparable EBIT in order to derive organic growth metrics:

(a) Foreign currency impact

Foreign currency impact in the organic growth calculation reflects the adjustment of prior-period net sales revenue and comparable EBIT metrics for the impact of changes in exchange rates applicable to the current period.

(b) Consolidation perimeter impact

Current-period volume, net sales revenue and comparable EBIT metrics, are each adjusted for the impact of changes in the consolidation perimeter. More specifically adjustments are performed as follows:

i. Acquisitions:

For current-year acquisitions, the results generated in the current period by the acquired entities are not included in the organic growth calculation. For prior-year acquisitions, the results generated in the current year over the period during which the acquired entities were not consolidated in the prior year, are not included in the organic growth calculation.

For current-year step acquisitions where the Group obtains control of a) entities over which it previously held either joint control or significant influence and which were accounted for under the equity method, or b) entities which were carried at fair value either through profit or loss or other comprehensive income, the results generated in the current year by the relevant entities over the period during which these entities are consolidated, are not included in the organic growth calculation. For such step acquisitions of entities previously accounted for under the equity method the share of results for the respective period described above, is included in the organic growth calculation of the current year. For such step acquisitions of entities previously accounted for at fair value through profit or loss, any fair value gains or losses for the respective period described above are included in the organic growth calculation. For such step acquisitions in the prior year, the results generated in the current year by the relevant entities over the period during which these entities were not consolidated in the prior year are not included in the organic growth calculation. However, the share of results or gains or losses from fair value changes of the respective entities, based on their accounting treatment prior to the step acquisition, for the current-year period during which these entities were not consolidated in the prior year are included in the organic growth calculation.

ii. Divestments:

For current-year divestments, the results generated in the prior year by the divested entities over the period during which the divested entities are no longer consolidated in the current year are included in the current year's results for the purpose of the organic growth calculation. For prior-year divestments, the results generated in the prior year by the divested entities over the period during which the divested entities were consolidated are included in the current year's results for the purpose of the organic growth calculation.

Definitions and reconciliations of APMs (continued)

iii. Reorganisations resulting in equity method accounting:
For current-year reorganisations where the Group maintains either joint control or significant influence over the relevant entities so that they are reclassified from subsidiaries or joint operations to joint ventures or associates and accounted for under the equity method, the results generated in the current year by the relevant entities over the period during which these entities are no longer consolidated, are included in the current year's results for the purpose of the organic growth calculation. For such reorganisations in the prior year, the results generated in the current year by the relevant entities over the period during which these entities were consolidated in the prior year, are included in the current year's results for the purpose of the organic growth calculation. In addition, the share of results in the current year of the relevant entities, for the respective period as described above, is excluded from the organic growth calculation for such reorganisations.

The calculations of the organic growth and the reconciliation to the most directly related measures calculated in accordance with IFRS are presented in the below tables. Organic growth (%) is calculated by dividing the amount in the row titled 'Organic movement' by the amount in the associated row titled '2023 reported' or, where presented, '2023 adjusted'. Organic growth for comparable EBIT margin is the organic movement expressed in basis points.

Reconciliation of organic measures

	Half Year 2024			
Volume (m unit cases)	**Established**	**Developing**	**Emerging**	**Group**
2023 reported	**306.4**	**227.3**	**849.4**	**1,383.1**
Consolidation perimeter impact	0.4	—	—	0.4
Organic movement	**-0.5**	**7.0**	**36.7**	**43.2**
2024 reported	306.3	234.3	886.1	1,426.7
Organic growth (%)	**-0.2%**	**3.1%**	**4.3%**	**3.1%**

	Half Year 2024			
Net sales revenue (€ m)	**Established**	**Developing**	**Emerging**	**Group**
2023 reported	1,628.0	985.2	2,408.3	5,021.5
Foreign currency impact	7.8	19.6	(503.0)	(475.6)
2023 adjusted	**1,635.8**	**1,004.8**	**1,905.3**	**4,545.9**
Consolidation perimeter impact	8.0	3.2	0.3	11.5
Organic movement	**71.3**	**115.3**	**431.6**	**618.2**
2024 reported	1,715.1	1,123.3	2,337.2	5,175.6
Organic growth (%)	**4.4%**	**11.5%**	**22.7%**	**13.6%**

	Half Year 2024			
Net sales revenue per unit case (€)[1]	**Established**	**Developing**	**Emerging**	**Group**
2023 reported	5.31	4.33	2.84	3.63
Foreign currency impact	0.03	0.09	-0.59	-0.34
2023 adjusted	**5.34**	**4.42**	**2.24**	**3.29**
Consolidation perimeter impact	0.02	0.01	—	0.01
Organic movement	**0.24**	**0.36**	**0.39**	**0.33**
2024 reported	5.60	4.79	2.64	3.63
Organic growth (%)	**4.5%**	**8.1%**	**17.6%**	**10.2%**

Footnotes are presented at the end of the tables.

Definitions and reconciliations of APMs (continued)

	Half Year 2024			
Comparable EBIT (€ m)	**Established**	**Developing**	**Emerging**	**Group**
2023 reported	171.3	67.3	322.1	560.7
Foreign currency impact	1.0	1.7	-48.0	-45.3
2023 adjusted	**172.3**	**69.0**	**274.1**	**515.4**
Consolidation perimeter impact	2.6	6.3	1.1	10.0
Organic movement	**19.2**	**43.0**	**-23.5**	**38.7**
2024 reported	194.1	118.3	251.7	564.1
Organic growth (%)	**11.1%**	**62.3%**	**-8.6%**	**7.5%**

	Half Year 2024			
Comparable EBIT margin (%)[1]	**Established**	**Developing**	**Emerging**	**Group**
2023 reported	10.5%	6.8%	13.4%	11.2%
Foreign currency impact	—	—	1.0%	0.2%
2023 adjusted	**10.5%**	**6.9%**	**14.4%**	**11.3%**
Consolidation perimeter impact	0.1%	0.5%	—	0.2%
Organic movement	**0.7%**	**3.1%**	**-3.7%**	**-0.6%**
2024 reported	11.3%	10.5%	10.8%	10.9%
Organic growth (%)	**70bps**	**310bps**	**-370bps**	**-60bps**

[1] Certain differences in calculations are due to rounding.

3. Other APMs

Adjusted EBITDA

Adjusted EBITDA is calculated by adding back to operating profit the depreciation and net impairment of property, plant and equipment, the amortisation and net impairment of intangible assets, the net impairment of equity method investments, the employee share option and performance share costs and items, if any, reported in line 'Other non-cash items' of the condensed consolidated interim cash flow statement. Adjusted EBITDA is intended to provide useful information to analyse the Group's operating performance excluding the impact of operating non-cash items as defined above. The Group also uses comparable Adjusted EBITDA, which is calculated by deducting from Adjusted EBITDA the impact of: the Group's restructuring costs, the acquisition, integration and divestment-related costs or gains, the mark-to-market valuation of the commodity hedging activity and the impact from the Russia-Ukraine conflict. Comparable Adjusted EBITDA is intended to measure the level of financial leverage of the Group by comparing comparable Adjusted EBITDA to Net debt.

Adjusted EBITDA and comparable Adjusted EBITDA are not measures of profitability and liquidity under IFRS and have limitations, some of which are as follows: Adjusted EBITDA and comparable Adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; Adjusted EBITDA and comparable Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future, and Adjusted EBITDA and comparable Adjusted EBITDA do not reflect any cash requirements for such replacements. Because of these limitations, Adjusted EBITDA and comparable Adjusted EBITDA should not be considered as measures of discretionary cash available to us and should be used only as supplementary APMs.

Definitions and reconciliations of APMs (continued)

Free cash flow

Free cash flow is an APM used by the Group and defined as cash generated by operating activities after payments for purchases of property, plant and equipment net of proceeds from sales of property, plant and equipment and including principal repayments of lease obligations. Free cash flow is intended to measure the cash generation from the Group's business, based on operating activities, including the efficient use of working capital and taking into account its net payments for purchases of property, plant and equipment. The Group considers the purchase and disposal of property, plant and equipment as ultimately non-discretionary since ongoing investment in plant, machinery, technology and marketing equipment, including coolers, is required to support the day-to-day operations and the Group's growth prospects. The Group presents free cash flow because it believes the measure assists users of the financial statements in understanding the Group's cash generating performance as well as availability for interest payment, dividend distribution and own retention. The free cash flow measure is used by management for its own planning and reporting purposes since it provides information on operating cash flows, working capital changes and net capital expenditure that local managers are most directly able to influence.

Free cash flow is not a measure of cash generation under IFRS and has limitations, some of which are as follows: free cash flow does not represent the Group's residual cash flow available for discretionary expenditures since the Group has debt payment obligations that are not deducted from the measure; free cash flow does not deduct cash flows used by the Group in other investing and financing activities and free cash flow does not deduct certain items settled in cash. Other companies in the industry in which the Group operates may calculate free cash flow differently, limiting its usefulness as a comparative measure.

Capital expenditure

Capital expenditure is defined as payments for purchases of property, plant and equipment plus principal repayments of lease obligations less proceeds from sales of property, plant and equipment. The Group uses capital expenditure as an APM to ensure that the cash spending is in line with its overall strategy for the use of cash.

The following table illustrates how Adjusted EBITDA, free cash flow and capital expenditure are calculated:

	Half-year 2024 € million	Half-year 2023 € million
Operating profit (EBIT)	**566.1**	**557.3**
Depreciation and impairment of property, plant and equipment, including right-of-use assets	**187.8**	197.8
Amortisation and impairment of intangible assets	**0.4**	0.7
Employee performance shares	**6.3**	9.8
Adjusted EBITDA	**760.6**	**765.6**
Share of results of integral equity method investments	**(6.7)**	(4.1)
Gain on disposals of non-current assets	**(3.0)**	(2.3)
Cash consumed from working capital movements	**(235.6)**	(169.1)
Tax paid	**(92.3)**	(94.7)
Net cash from operating activities	**423.0**	**495.4**
Payments for purchases of property, plant and equipment [1]	**(179.0)**	(213.8)
Principal repayments of lease obligations	**(27.8)**	(28.6)
Proceeds from sales of property, plant and equipment	**4.0**	3.6
Capital expenditure	**(202.8)**	**(238.8)**
Free cash flow	**220.2**	**256.6**

[1] Payments for purchases of property, plant and equipment for the first half of 2024 include €5.9 million (first half of 2023: €6.6 million) relating to repayment of borrowings undertaken to finance the purchase of production equipment by the Group's subsidiary in Nigeria, classified as 'Repayments of borrowings' in the condensed consolidated interim cash flow statement.

Definitions and reconciliations of APMs (continued)

Net debt

Net debt is an APM used by management to evaluate the Group's capital structure and leverage. Net debt is defined as current borrowings and non-current borrowings plus the fair value of fixed-to-floating interest rate swaps, less cash and cash equivalents and financial assets (time deposits and money market funds), as illustrated below:

	As at	
	28 June 2024	31 December 2023
	€ million	€ million
Current borrowings	**978.6**	948.1
Non-current borrowings	**3,073.5**	2,476.4
Interest rate swaps (fixed-to-floating)	**0.2**	—
Other financial assets	**(1,134.5)**	(568.6)
Cash and cash equivalents	**(1,091.2)**	(1,260.6)
Net debt	**1,826.6**	**1,595.3**

Principal risks and uncertainties

The Company faces a number of risks and uncertainties that may have an adverse effect on its operations, performance and future prospects and has a robust risk management programme to assess these and evaluate strategies to manage them.

General macroeconomic conditions, particularly continuing high inflation and higher interest rates provided a difficult operating environment in the first half of 2024 although conditions were better than many analysts were predicting in 2023. We saw some easing in projected increases in input costs including some key ingredients. We remain cautiously optimistic although we predict ongoing volatility in the shorter term. Foreign exchange, particularly the Nigerian Naira and Egyptian Pound remain problematic and are expected to continue to have an impact on our business although we do see encouraging signs from announced changes in economic policies of those governments.

The conflict between Russia and Ukraine continues to affect our business in those countries. There does not appear to be any real prospect for resolution in the short term and our focus remains the health and safety of our people and the long-term viability of our business. In addition, conflict in the Middle East and calls for boycotts of US brands continues to impact our business in countries with large Muslim populations such as Egypt and Bosnia. The geopolitical environment in which we operate will remain challenging in the medium term.

Sustainability related risks particularly water, packaging and managing our carbon footprint, remain significant longer-term risks with the business involved in a number of initiatives to enhance our sustainability. We took further steps to enhance our assessment of the long-term impact of climate change on our revenue, operating costs and capital investment requirements to mitigate the impact and identify opportunities.

In the first half of 2023, we added the impact of artificial intelligence to our list of emerging risks and opportunities. In 2024, we continued to make progress on the important governance and policy aspects of reducing the potential risks associated with rapid adoption of AI technology.

In addition to the risks and uncertainties referred to above, the principal risks and uncertainties that the Company expects to be exposed to in the second half of 2024 are substantially the same as those outlined in our 2023 Integrated Annual Report for the year ended 31 December 2023, pages 88 to 107, a summary of which is set out below.

The principal risks will be closely monitored during the second half of the year to identify material changes to the risk environment.

Our principal risks

Foreign exchange fluctuations

- We expect continuing short- to medium-term volatility in foreign exchange in key markets, particularly Nigeria and Egypt.
- Recent government economic policy announcements have given us reason to be more optimistic although it will take time for changes to have a significant impact.

Marketplace economic conditions

- We expect continuing higher inflation and interest rates for longer periods across our markets over the short term which may affect consumers' purchasing decisions.

Geopolitical and security environment

- While the situation remains unpredictable, we do not expect a resolution of the Russia/Ukraine crisis in the short term, which will continue to have an impact on our business in those countries.
- The Israel/Palestine conflict is not expected to be resolved in the short term. We expect to see continuing instability in the Middle East in the medium term. This will continue to affect our business in markets that have large Muslim populations given calls for boycotts of US associated products.
- Upcoming US elections may contribute to volatility in the global geopolitical environment in the medium term.

Product relevance and acceptability

- There is an increasing risk of additional sugar/beverage taxes in the short term.
- Increasing concerns around health, sustainability and the impact of climate change will continue into the medium to longer term.
- The EU regulatory environment will increasingly focus on health and sustainability issues and new directives and regulations will require us to allocate more resources to compliance.

Strategic stakeholder relationships

- We continue to maintain strong relationships with our key business partners and maintaining alignment of our strategic objectives over the long term recognising that the changing global environment may impact our independent businesses differently.

Competing in the digital marketplace

- The digital marketplace continues to evolve and remains highly competitive with new and existing companies seeking to take advantage of e-commerce growth.
- We expect the continued strong growth of B2B and B2C e-commerce sales over the medium to long term.

Health and safety of our people

- We will continue to monitor and reduce health and safety risks across our markets with an emphasis on close engagement with our partners to improve road safety.

Suppliers and sustainable sourcing

- We expect continuing volatility in the short-to-medium term as a result of macroeconomic and geopolitical conditions and continuing supply-demand imbalances.
- Over the longer term we expect climate change and our suppliers' response to climate change to affect the cost of ingredients as well as our ability to meet key sustainability targets.

Our principal risks (continued)

Cyber incidents

- The number and sophistication of cyber incidents is expected to increase in the short to medium term. Stakeholder concerns about data privacy and expectations to protect privacy will continue to increase.
- Government agencies will continue to improve their capabilities to investigate and respond to cybercrime. We continue to enhance our cyber security infrastructure and processes.

People retention

- We continue to see challenges in the attractiveness of consumer-packaged goods companies as an employer of choice.
- Talent retention will be an ongoing challenge over the short to medium term as adjustments are made to new ways of working. We maintain high levels of retention and engagement.

Ethics and compliance

- Continuing and new economic and other sanctions imposed by many countries against Russia and Belarus increased the risk of inadvertent non-compliance. We have strengthened awareness and compliance programmes to mitigate this risk.
- We continue to focus on reducing the risk of fraud against the Company, and non-compliance with anti-bribery and corruption standards with an emphasis on training and awareness as well as maintaining a strong compliance framework.

Cost and availability of sustainable packaging

- We continue to see heightened stakeholder concerns around packaging and waste which is also driving increased regulation across the EU.
- Significant changes to our packaging mix could have a major impact on our business strategy, longer-term capital investment in production and distribution, and our ability to meet our NetZeroby40 commitments.

Water availability and usage

- We expect that water stress in our water priority locations will continue to increase over the medium to long term as a result of climate change. The extent of that increase will depend both on our actions and on the global response to climate change.
- We expect that regulatory pressure will increase over the medium term and that will flow through to additional operating costs associated with water. These additional costs have been estimated in our water risk assessment that is updated annually.

Managing our carbon footprint

- We will continue to see heightened stakeholder concerns and increased regulation to drive reductions in carbon emissions and expect to see the price of carbon increase significantly over the next 20 years, as pressure is applied to all companies to reduce their carbon footprint.
- We have committed to NetZeroby40 and will continue to implement a range of initiatives to meet that commitment, including ongoing capital expenditure on carbon reduction initiatives.

Related party transactions

Related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial positions or the performance of Coca-Cola HBC during the period, as well as any changes in the related party transactions as described in the 2023 Integrated Annual Report that could have a material effect on the financial positions or performance of the Group in the first six months of the current financial year, are described in section 'Condensed consolidated interim financial statements for the six months ended 28 June 2024', Note 15 'Related party transactions'.

Going concern statement

As part of the consideration of whether to adopt the going concern basis in preparing the interim report and financial statements, management has considered the Group's financial performance in the period as well as its 2023 quantitative viability exercise, including the performance of various stress tests, which confirms the Group's ability to generate cash in the year ending 31 December 2024 and beyond. Management has also considered the events involving Ukraine and Russia as well as the tensions in the Middle East and no impact has been identified on the Group's ability to continue as a going concern.

Management has also considered the Group's strong balance sheet and liquidity position, its leading market shares and largely variable cost base, together with the unique portfolio of brands and resilient and talented people, which it believes will allow the Group to fully overcome the challenges posed by the volatile geopolitical and macroeconomic environment.

Accordingly, and having also considered the principal risks, the Directors continue to adopt the going concern basis of accounting in preparing these condensed consolidated interim financial statements and have not identified any material uncertainties to the Group's ability to continue trading as a going concern over a period of at least twelve months from the date of approval of these condensed consolidated interim financial statements.

Responsibility statement

The Directors of the Company, whose names are set out below, confirm that to the best of their knowledge:

(a) the condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board (IASB) and IAS 34, 'Interim Financial Reporting', as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) and give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation as a whole for the period ended 28 June 2024 as required by the Disclosure Guidance and Transparency Rules sourcebook of the UK FCA ("DTR") 4.2.4R; and

(b) the interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the DTRs, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed consolidated interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- DTR 4.2.8 R of the DTRs, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period, and any changes in the related party transactions described in the 2023 Integrated Annual Report for Coca-Cola HBC AG and its subsidiaries for the year ended 31 December 2023, that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

Name	**Title**
Anastassis G. David	Non-Executive Chairman
Zoran Bogdanovic	Chief Executive Officer
Anastasios I. Leventis	Non-Executive Director
Henrique Braun	Non-Executive Director
Christo Leventis	Non-Executive Director
George Pavlos Leventis	Non-Executive Director
Evguenia Stoitchkova	Non-Executive Director
Reto Francioni	Senior Independent Non-Executive Director
Charlotte J. Boyle	Independent Non-Executive Director
Anna Diamantopoulou	Independent Non-Executive Director
William W. (Bill) Douglas III	Independent Non-Executive Director
Zulikat Wuraola Abiola	Independent Non-Executive Director
Glykeria Tsernou	Independent Non-Executive Director

Signed on behalf of the Board
Zoran Bogdanovic
Chief Executive Officer

7 August 2024

Independent review report to Coca-Cola HBC AG

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed the condensed consolidated interim financial statements (the “interim financial statements”) in the Half-yearly financial report of Coca-Cola HBC AG (the “Company”) for the six months ended 28 June 2024 (the “Half-yearly financial report”).

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The interim financial statements comprise:

- the condensed consolidated interim balance sheet as at 28 June 2024;
- the condensed consolidated interim income statement for the six month period then ended;
- the condensed consolidated interim statement of comprehensive income for the six month period then ended;
- the condensed consolidated interim statement of changes in equity for the six month period then ended;
- the condensed consolidated interim cash flow statement for the six month period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Half-yearly financial report have been prepared in accordance with IAS 34, ‘Interim Financial Reporting’, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers SA, GEMI: 001520401000, T: +30 210 6874400, www.pwc.gr

Athens: 270 Kifissias Avenue, 15232 Halandri | T:+30 210 6874400
Thessaloniki: Agias Anastasias & Laertou, 55535 Pylaia / T: +30 2310 488880
Ioannina: 2 Plateia Pargis, 1st floor, 45332 / T: +30 2651 313376
Patra: 2A 28is Oktovriou & Othonos Amalias 11, 26223 / T: +30 2616 009208

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Half-yearly financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Half-yearly financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Half-yearly financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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Fotis Smyrnis
Certified Accountant Auditor (SOEL Reg. No. 52861)
For and on behalf of PricewaterhouseCoopers S.A.
Certified Auditors (SOEL Reg. No. 113)
7 August 2024
Athens, Greece

Notes:
(a) The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom, Greece and Switzerland governing the preparation and dissemination of interim financial statements may differ from legislation in other jurisdictions.

Condensed consolidated interim financial statements for the six months ended 28 June 2024

Condensed consolidated interim income statement

	Note	Six months ended 28 June 2024 € million	Six months ended 30 June 2023 € million
Net sales revenue	3	**5,175.6**	5,021.5
Cost of goods sold		**(3,306.0)**	(3,259.9)
Gross profit		**1,869.6**	**1,761.6**
Operating expenses		**(1,310.2)**	(1,208.4)
Share of results of integral equity method investments		**6.7**	4.1
Operating profit	3	**566.1**	**557.3**
Finance costs, net	5	**(46.4)**	(31.4)
Share of results of non-integral equity method investments		**1.3**	1.7
Profit before tax		**521.0**	**527.6**
Tax	6	**(140.7)**	(142.5)
Profit after tax		**380.3**	**385.1**
Attributable to:			
Owners of the parent		**381.6**	385.7
Non-controlling interests		**(1.3)**	(0.6)
		380.3	**385.1**
Basic and diluted earnings per share (€)	7	**1.04**	1.05

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Condensed consolidated interim statement of comprehensive income

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Profit after tax	**380.3**	**385.1**
Other comprehensive income:		
Items that may be subsequently reclassified to income statement:		
Cost of hedging	**(1.5)**	(2.7)
Net gain on cash flow hedges	**22.1**	18.4
Foreign currency translation losses	**(131.8)**	(393.0)
Share of other comprehensive loss of equity method investments	**(4.8)**	(7.8)
Income tax relating to items that may be subsequently reclassified to income statement	**(2.4)**	(2.5)
	(118.4)	**(387.6)**
Items that will not be subsequently reclassified to income statement:		
Valuation (loss)/gain on equity investments at fair value through other comprehensive income	**(0.1)**	0.4
Actuarial gains	**1.3**	3.3
Income tax relating to items that will not be subsequently reclassified to income statement	**(0.8)**	(0.8)
	0.4	**2.9**
Other comprehensive loss for the period, net of tax	**(118.0)**	**(384.7)**
Total comprehensive income for the period	**262.3**	**0.4**
Total comprehensive income attributable to:		
Owners of the parent	**264.5**	5.1
Non-controlling interests	**(2.2)**	(4.7)
	262.3	**0.4**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Condensed consolidated interim balance sheet

	Note	As at 28 June 2024 € million	31 December 2023 € million
Assets			
Intangible assets	8	**2,496.8**	2,569.8
Property, plant and equipment	8	**2,959.3**	3,057.1
Other non-current assets		**355.0**	343.7
Total non-current assets		**5,811.1**	**5,970.6**
Inventories		**1,004.2**	773.3
Trade, other receivables and assets		**1,757.6**	1,205.1
Other financial assets	10	**1,153.6**	667.9
Cash and cash equivalents	10	**1,091.2**	1,260.6
		5,006.6	**3,906.9**
Assets classified as held for sale		**1.8**	3.3
Total current assets		**5,008.4**	**3,910.2**
Total assets		**10,819.5**	**9,880.8**
Liabilities			
Borrowings	10	**978.6**	948.1
Other current liabilities		**3,415.0**	2,899.2
Total current liabilities		**4,393.6**	**3,847.3**
Borrowings	10	**3,073.5**	2,476.4
Other non-current liabilities		**351.3**	370.4
Total non-current liabilities		**3,424.8**	**2,846.8**
Total liabilities		**7,818.4**	**6,694.1**
Equity			
Owners of the parent		**2,909.7**	3,092.8
Non-controlling interests		**91.4**	93.9
Total equity		**3,001.1**	**3,186.7**
Total equity and liabilities		**10,819.5**	**9,880.8**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Condensed consolidated interim statement of changes in equity

	Attributable to owners of the parent									
	Share capital € million	Share premium € million	Group reorganisation reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	**Total € million**	Non-controlling interests € million	**Total equity € million**
Balance as at 1 January 2023	**2,024.3**	**2,837.4**	**(6,472.1)**	**(131.2)**	**(1,218.2)**	**292.5**	**5,949.6**	**3,282.3**	**103.3**	**3,385.6**
Shares issued to employees exercising stock options (Note 11)	4.2	5.8	—	—	—	—	—	**10.0**	—	**10.0**
Share-based compensation:										
Performance shares	—	—	—	—	—	9.8	—	**9.8**	—	**9.8**
Appropriation of reserves (Note 11)	—	—	—	29.7	—	(29.0)	(0.7)	**—**	—	**—**
Purchase of shares held by non-controlling interests	—	—	—	—	—	—	(9.9)	**(9.9)**	(2.7)	**(12.6)**
Dividends (Note 13)	—	(289.9)	—	—	—	—	2.7	**(287.2)**	—	**(287.2)**
Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax[1]	—	—	—	—	—	(5.1)	—	**(5.1)**	—	**(5.1)**
	2,028.5	**2,553.3**	**(6,472.1)**	**(101.5)**	**(1,218.2)**	**268.2**	**5,941.7**	**2,999.9**	**100.6**	**3,100.5**
Profit for the period, net of tax	—	—	—	—	—	—	385.7	**385.7**	(0.6)	**385.1**
Other comprehensive loss for the period, net of tax	—	—	—	—	(396.8)	13.6	2.6	**(380.6)**	(4.1)	**(384.7)**
Total comprehensive income for the period, net of tax[2]	—	—	—	—	(396.8)	13.6	388.3	**5.1**	(4.7)	**0.4**
Balance as at 30 June 2023	**2,028.5**	**2,553.3**	**(6,472.1)**	**(101.5)**	**(1,615.0)**	**281.8**	**6,330.0**	**3,005.0**	**95.9**	**3,100.9**
Shares issued to employees exercising stock options (Note 11)	1.8	2.4	—	—	—	—	—	**4.2**	—	**4.2**
Share-based compensation:										
Performance shares	—	—	—	—	—	10.6	—	**10.6**	—	**10.6**
Movement in shares held for equity compensation plan	—	—	—	—	—	0.2	—	**0.2**	—	**0.2**
Appropriation of reserves (Note 11)	—	—	—	—	—	4.0	(4.0)	**—**	—	**—**
Acquisition of treasury shares (Note 11)	—	—	—	(42.6)	—	—	—	**(42.6)**	—	**(42.6)**
Dividends (Note 13)	—	—	—	—	—	—	—	**—**	(0.3)	**(0.3)**
Transfer of cash flow hedge reserve, including cost of hedging to inventories, net of tax	—	—	—	—	—	(20.8)	—	**(20.8)**	—	**(20.8)**
	2,030.3	**2,555.7**	**(6,472.1)**	**(144.1)**	**(1,615.0)**	**275.8**	**6,326.0**	**2,956.6**	**95.6**	**3,052.2**
Profit for the period, net of tax	—	—	—	—	—	—	250.8	**250.8**	(0.2)	**250.6**
Other comprehensive loss for the period, net of tax	—	—	—	—	(93.9)	(3.7)	(17.0)	**(114.6)**	(1.5)	**(116.1)**
Total comprehensive income for the period, net of tax	—	—	—	—	(93.9)	(3.7)	233.8	**136.2**	(1.7)	**134.5**
Balance as at 31 December 2023	**2,030.3**	**2,555.7**	**(6,472.1)**	**(144.1)**	**(1,708.9)**	**272.1**	**6,559.8**	**3,092.8**	**93.9**	**3,186.7**

[1] *The amount included in other reserves of €5.1 million for the first half of 2023 represents the cash flow hedge reserve, including cost of hedging, transferred to inventories of €5.7 million gain, and the deferred tax expense thereof amounting to €0.6 million.*

[2] *The amount included in the exchange equalisation reserve of €396.8 million loss for the first half of 2023 represents the exchange loss attributed to the owners of the parent, primarily related to the Nigerian Naira, the Russian Rouble and the Egyptian Pound, including €7.9 million loss relating to the share of other comprehensive income of equity method investments.*

The amount of other comprehensive income net of tax included in other reserves of €13.6 million gain for the first half of 2023 consists of cash flow hedges gain of €15.7 million, share of other comprehensive income of equity method investments of €0.1 million gain, valuation gain of €0.4 million on equity investments at fair value through other comprehensive income, and the deferred tax expense thereof amounting to €2.6 million.

The amount of €388.3 million gain attributable to owners of the parent comprises profit for the period, net of tax of €385.7 million, actuarial gains of €3.3 million and the deferred tax expense thereof amounting to €0.7 million.

The amount of €4.7 million losses included in non-controlling interests for the first half of 2023, represents the exchange loss attributed to the non-controlling interests of €4.1 million, and the share of non-controlling interests in profit for the period, net of tax of €0.6 million loss.

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Condensed consolidated interim statement of changes in equity

	Attributable to owners of the parent									
	Share capital € million	Share premium € million	Group reorganisation reserve € million	Treasury shares € million	Exchange equalisation reserve € million	Other reserves € million	Retained earnings € million	**Total € million**	Non-controlling interests € million	**Total equity € million**
Balance as at 1 January 2024	**2,030.3**	**2,555.7**	**(6,472.1)**	**(144.1)**	**(1,708.9)**	**272.1**	**6,559.8**	**3,092.8**	**93.9**	**3,186.7**
Shares issued to employees exercising stock options (Note 11)	1.8	2.0	—	—	—	—	—	**3.8**	—	**3.8**
Share based compensation:										
Performance shares	—	—	—	—	—	6.3	—	**6.3**	—	**6.3**
Appropriation of reserves (Note 11)	—	—	—	23.4	—	(23.7)	0.3	**—**	—	**—**
Purchase of shares held by non-controlling interests	—	—	—	—	—	—	(2.6)	**(2.6)**	(0.3)	**(2.9)**
Acquisition of treasury shares (Note 11)	—	—	—	(116.3)	—	—	—	**(116.3)**	—	**(116.3)**
Dividends (Note 13)	—	(342.9)	—	—	—	—	3.2	**(339.7)**	—	**(339.7)**
Transfer of cash flow hedge reserve, including cost of hedging, to inventories, net of tax[3]	—	—	—	—	—	0.9	—	**0.9**	—	**0.9**
	2,032.1	**2,214.8**	**(6,472.1)**	**(237.0)**	**(1,708.9)**	**255.6**	**6,560.7**	**2,645.2**	**93.6**	**2,738.8**
Profit for the period, net of tax	—	—	—	—	—	—	381.6	**381.6**	(1.3)	**380.3**
Other comprehensive income for the period, net of tax	—	—	—	—	(135.7)	18.1	0.5	**(117.1)**	(0.9)	**(118.0)**
Total comprehensive income for the period, net of tax[4]	—	—	—	—	(135.7)	18.1	382.1	**264.5**	(2.2)	**262.3**
Balance as at 28 June 2024	**2,032.1**	**2,214.8**	**(6,472.1)**	**(237.0)**	**(1,844.6)**	**273.7**	**6,942.8**	**2,909.7**	**91.4**	**3,001.1**

[3] *The amount included in other reserves of €0.9 million for the first half of 2024 represents the cash flow hedge reserve (loss), including cost of hedging, transferred to inventories.*

[4] *The amount included in the exchange equalisation reserve of €135.7 million loss for the first half of 2024 represents the exchange loss attributed to the owners of the parent, primarily related to the Nigerian Naira and the Egyptian Pound, partially offset by the Russian Rouble, including €4.8 million loss relating to the share of other comprehensive income of equity method investments.*

The amount of other comprehensive income, net of tax included in other reserves of €18.1 million gain for the first half of 2024 consists of cash flow hedges gain of €20.6 million, valuation loss of €0.1 million on equity investments at fair value through other comprehensive income, and the deferred tax thereof amounting to €2.4 million.

The amount of €382.1 million gain attributable to owners of the parent comprises profit for the period, net of tax of €381.6 million, actuarial gains of €1.3 million and the deferred tax expense thereof amounting to €0.8 million.

The amount of €2.2 million losses included in non-controlling interests for the first half of 2024, represents the exchange loss attributed to the non-controlling interests of €0.9 million, and the share of non-controlling interests in profit for the period, net of tax of €1.3 million loss.

Condensed consolidated interim cash flow statement

	Note	Six months ended 28 June 2024 € million	Six months ended 30 June 2023 € million
Operating activities			
Profit after tax for the period		**380.3**	385.1
Finance costs, net	5	**46.4**	31.4
Share of results of non-integral equity method investments		**(1.3)**	(1.7)
Tax charged to the income statement		**140.7**	142.5
Depreciation and impairment of property, plant and equipment, including right-of-use assets	8	**187.8**	197.8
Employee performance shares		**6.3**	9.8
Amortisation and impairment of intangible assets	8	**0.4**	0.7
		760.6	765.6
Share of results of integral equity method investments		**(6.7)**	(4.1)
Gain on disposals of non-current assets		**(3.0)**	(2.3)
Increase in inventories		**(275.5)**	(272.5)
Increase in trade and other receivables		**(551.3)**	(543.9)
Increase in trade and other payables		**591.2**	647.3
Tax paid		**(92.3)**	(94.7)
Net cash inflow from operating activities		**423.0**	**495.4**
Investing activities			
Payments for purchases of property, plant and equipment		**(173.1)**	(207.2)
Proceeds from sales of property, plant and equipment		**4.0**	3.6
Payments for investments in financial assets at fair value through other comprehensive income		**(1.8)**	(4.8)
Net (payments for)/proceeds from investments in financial assets at amortised cost		**(775.5)**	517.7
Net proceeds from investments in financial assets at fair value through profit or loss		**229.9**	—
Receipts from integral equity method investments	15	**2.6**	1.5
Receipts from non-integral equity method investments	15	**1.0**	7.0
Loans to related parties		**(5.3)**	(1.0)
Repayments of loans by related parties		**—**	0.5
Interest received		**25.7**	13.8
Payments for business combinations, net of cash acquired	14	**(1.5)**	—
Net cash (outflow)/inflow from investing activities		**(694.0)**	**331.1**
Financing activities			
Proceeds from shares issued to employees, exercising stock options	11	**3.8**	10.0
Purchase of shares from non-controlling interests		**(2.9)**	(12.6)
Acquisition of treasury shares	11	**(116.3)**	—
Proceeds from borrowings		**663.5**	39.6
Repayments of borrowings		**(28.2)**	(47.2)
Principal repayments of lease obligations		**(27.8)**	(28.6)
Dividends paid to owners of the parent		**(339.7)**	(287.2)
Proceeds from/(payments for) settlement of derivatives and funded forward contracts regarding financing activities		**2.0**	(3.1)
Interest paid		**(39.9)**	(31.1)
Net cash inflow/(outflow) from financing activities		**114.5**	**(360.2)**
Net (decrease)/increase in cash and cash equivalents		**(156.5)**	**466.3**
Movement in cash and cash equivalents			
Cash and cash equivalents at 1 January		**1,260.6**	719.9
Net (decrease)/increase in cash and cash equivalents		**(156.5)**	466.3
Effect of changes in exchange rates		**(12.9)**	(121.3)
Cash and cash equivalents at the end of the period		**1,091.2**	**1,064.9**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Selected explanatory notes to the condensed consolidated interim financial statements

1. Basis of preparation and accounting policies

Basis of preparation

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', as adopted by the European Union (EU), and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. These condensed consolidated interim financial statements are unaudited, but have been reviewed by the auditors and their review opinion is included before these condensed consolidated interim financial statements.

As part of the consideration of whether to adopt the going concern basis in preparing these condensed consolidated interim financial statements, management has considered the Group's financial performance in the period and overall financial position, as well as its 2023 quantitative viability exercise, including the performance of various stress tests, that consider the Group's principal risks, including those related to climate change, and confirms the Group's ability to generate cash in 12 months from the date of approval of these condensed consolidated interim financial statements and beyond. Management has also considered the geopolitical events involving Russia and Ukraine as well as the tensions in the Middle East and no impact has been identified to the Group's ability to continue as a going concern. Therefore, it is deemed appropriate that the Group continues to adopt the going concern basis of accounting for the preparation of the condensed consolidated interim financial statements.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial statements of Coca-Cola HBC AG ('Coca-Cola HBC', the 'Company' or the 'Group') are consistent with those used in the 2023 annual financial statements, except for the adoption of applicable amendments to accounting standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amended standards adopted by the Group

The below amendments to standards became applicable as of 1 January 2024 and were adopted by the Group. The adoption of these amendments did not have a significant impact on the Group's condensed consolidated interim financial statements.

Amendment to IAS 1 - Classification of Liabilities as Current or Non-current & Non-current liabilities with covenants: These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. The amendments also aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

Amendment to IFRS 16 - Leases on sale and leaseback: These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to IAS 7 and IFRS 7 - Supplier finance arrangements: These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The new disclosures are not required to be provided in the 2024 condensed consolidated interim financial statements.

Changes in comparative information

Comparative information of the condensed consolidated interim balance sheet has been revised to reflect the measurement period adjustment in connection with the acquisition of Finlandia (refer to Note 14). More specifically: 'Intangible assets', 'Other non-current liabilities' and 'Other current liabilities' as at 31 December 2023 appear increased by €1.2 million, €0.2 million and €1.0 million respectively, compared to the information disclosed in the 2023 Integrated Annual Report.

2. Foreign currency and translation

The Group's reporting currency is the Euro (€). Coca-Cola HBC translates the income statements of foreign operations to the Euro at average exchange rates and the balance sheets at the closing exchange rates at each balance sheet date. The principal exchange rates used for translation purposes in respect of one Euro are:

	Average rate for the six months ended		Closing rate as at	
	28 June 2024	30 June 2023	**28 June 2024**	31 December 2023
US Dollar	**1.08**	1.08	**1.07**	1.11
UK Sterling	**0.86**	0.88	**0.85**	0.87
Polish Zloty	**4.32**	4.63	**4.31**	4.32
Nigerian Naira	**1,456.60**	522.47	**1,604.75**	1,056.96
Hungarian Forint	**389.38**	380.72	**396.72**	382.03
Swiss Franc	**0.96**	0.99	**0.96**	0.94
Russian Rouble	**98.27**	83.44	**93.14**	101.68
Romanian Leu	**4.97**	4.93	**4.98**	4.98
Ukrainian Hryvnia	**42.12**	39.53	**43.31**	41.63
Czech Koruna	**25.02**	23.68	**24.92**	24.69
Serbian Dinar	**117.15**	117.31	**117.06**	117.16
Egyptian Pound	**44.45**	32.87	**51.36**	34.16

As a result of the local authorities' efforts to liberalise the foreign exchange markets and restore liquidity in foreign currency, the Nigerian Naira and Egyptian Pound depreciated against the US Dollar in 2024. The Group is continuously monitoring the situation to ensure that timely actions are undertaken as planned to minimise the adverse impact from the currency devaluation to the Group's business in Nigeria and Egypt.

3. Segmental analysis

The Group has essentially one business, being the production, sale and distribution of ready-to-drink, primarily non-alcoholic, beverages across 29 countries. The Group's markets are aggregated in reportable segments as follows:

Established markets: Austria, Cyprus, Greece, Italy, Northern Ireland, the Republic of Ireland and Switzerland, Global exports*.

Developing markets: Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

Emerging markets: Armenia, Belarus, Bosnia and Herzegovina, Bulgaria, Egypt, Moldova, Montenegro, Nigeria, North Macedonia, Romania, the Russian Federation, Serbia (including the Republic of Kosovo) and Ukraine.

**The Global exports market refers to the export business for Finlandia Vodka and Three Cents in countries where the Group does not have operations in connection with non-alcoholic ready-to-drink beverages, established due to the Finlandia acquisition.*

a) Volume and net sales revenue

The Group sales volume in million unit cases[1] was as follows:

	Six months ended	
	28 June 2024	30 June 2023
Established	**306.3**	306.4
Developing	**234.3**	227.3
Emerging	**886.1**	849.4
Total volume	**1,426.7**	**1,383.1**

Net sales revenue per reportable segment for the six months ended 28 June 2024 and 30 June 2023 is presented below:

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Established	**1,715.1**	1,628.0
Developing	**1,123.3**	985.2
Emerging	**2,337.2**	2,408.3
Total net sales revenue	**5,175.6**	**5,021.5**

In addition to non-alcoholic, ready-to-drink beverages as well as coffee and snacks (collectively 'NARTD'), the Group sells and distributes premium spirits. An analysis of volume and net sales revenue per product type for the six months ended 28 June 2024 and 30 June 2023 is presented below:

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Volume in million unit cases[1]		
NARTD	**1,424.3**	1,381.4
Premium spirits	**2.4**	1.7
Total volume	**1,426.7**	**1,383.1**
Net sales revenue (€ million)		
NARTD	**5,017.2**	4,893.5
Premium spirits	**158.4**	128.0
Total net sales revenue	**5,175.6**	**5,021.5**

[1] *One unit case corresponds to approximately 5.678 litres or 24 servings, being a typically used measure of volume. For Premium Spirits volume, one unit case also corresponds to 5.678 litres. For biscuits volume, one unit case corresponds to 1 kilogram. For coffee volume, one unit case corresponds to 0.5 kilograms or 5.678 litres. Volume data is derived from unaudited operational data.*

3. Segmental analysis (continued)

b) Other income statement items

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Operating profit		
Established	**194.0**	170.8
Developing	**117.4**	67.2
Emerging	**254.7**	319.3
Total operating profit	**566.1**	**557.3**
Reconciling items		
Finance costs, net	**(46.4)**	(31.4)
Tax	**(140.7)**	(142.5)
Share of results of non-integral equity method investments	**1.3**	1.7
Non-controlling interests	**1.3**	0.6
Profit after tax attributable to owners of the parent	**381.6**	**385.7**

c) Other items

In 2024, the Group's subsidiaries in Russia continued to operate under a self-sufficient business model focusing on local brands and there have been no significant developments in the geopolitical events involving Russia and Ukraine that would have a material adverse impact in the Group's operations in those territories as well as the Group's condensed consolidated interim financial statements. The Group continues to monitor the situation in Russia and Ukraine in order to ensure that timely actions and initiatives are undertaken to mitigate any potential adverse impact arising from the ongoing conflict.

4. Restructuring expenses

As part of the effort to optimise its cost base and sustain competitiveness in the marketplace, the Company undertakes restructuring initiatives. The restructuring expenses consist mainly of employees' termination benefits, which are included within operating expenses. Restructuring expenses per reportable segment for the six months ended 28 June 2024 and 30 June 2023 are presented below:

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Established	**(0.1)**	—
Emerging	**2.2**	1.8
Total restructuring expenses	**2.1**	**1.8**

5. Finance costs, net

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Finance income	**(45.3)**	(20.0)
Finance costs	**57.3**	42.8
Net foreign exchange losses	**34.4**	8.6
Finance costs, net	**46.4**	**31.4**

6. Tax

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Profit before tax	**521.0**	527.6
Tax	**(140.7)**	(142.5)
Effective tax rate	**27.0%**	**27.0%**

The Group's effective tax rate for 2024 may differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. This difference can be a consequence of a number of factors, the most significant of which are the application of statutory tax rates of the countries in which the Group operates, the non-deductibility of certain expenses, the non-taxable income and one-off tax items.

As disclosed in our 2023 Integrated Annual Report, the Group is within the scope of the OECD Pillar Two model rules. Under Pillar Two legislation, the Group may be liable to pay a top-up tax[1] for the difference between its Global Anti-Base Erosion ('GloBE') effective tax rate per jurisdiction and the 15% minimum rate.

As of 28 June 2024, Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group has presence. More specifically, Pillar Two legislation has been enacted or substantively enacted in Austria, Bulgaria, Croatia, Czech Republic, Finland, Greece, Hungary, Republic of Ireland, Italy, The Netherlands, Romania, Slovakia, Slovenia, Switzerland and The United Kingdom (Northern Ireland). Legislation which is not yet final has been published in additional EU countries where the Group has presence e.g. Cyprus and Poland, whereas in Estonia, Latvia and Lithuania application of Pillar Two rules has been deferred based on exception allowed by the EU Directive.

The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

As per the local legislation in Switzerland, the Income Inclusion Rule (IIR) will be applicable from 1 January 2025 onwards. In this respect, any potential top-up tax which may arise in a jurisdiction where the Pillar Two legislation is not applicable for 2024, will be payable from Coca-Cola HBC Holdings B.V.[2] which is located in The Netherlands.

The Group has performed an interim assessment for all countries in which it has presence, of the potential tax expense arising from Pillar Two rules, including:

- the determination of all Group entities in scope for the Pillar Two rules;
- the assessment of the entities in jurisdictions for which no Pillar Two liability is expected to arise based on the Country-by-Country Reporting Safe Harbor transitional rules in place; and
- the calculation of the estimated liability for entities in locations where a Pillar Two liability is expected to arise.

For the above assessment, which excludes joint ventures[3], the following data have been considered:

- financial accounts of the Constituent Entities[4] used in the preparation of the Group's condensed consolidated interim financial statements under IFRS for the six months ended 28 June 2024 and forecasts for the remaining 2024 period, in order to determine entities eligible for the transitional exceptions based on which no Pillar Two liability is expected to arise. Conclusions on such analysis were validated using also data for the fiscal year ended 31 December 2023; and
- financial accounts of the Constituent Entities for the six months ended 28 June 2024, used in the preparation of the Group's condensed consolidated interim financial statements under IFRS and forecasts for the remaining 2024 period, in order to determine the Pillar Two liability of entities for which no transitional exception was applicable.

6. Tax (continued)

Based on the Group's assessment as described above, the estimated current tax arising from Pillar Two rules resulted in an increase of the Group's estimated annual effective tax rate of less than 0.5%, driven by Constituent Entities located in the following jurisdictions: Bosnia-Herzegovina, Bulgaria, Cyprus, Republic of Ireland and Kosovo.

The Group's exposure to paying Pillar Two income taxes might not be for the full difference in tax rates. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with IAS 12.

[1] The top-up tax is calculated on the GloBE income after deduction of the Substance Based Excluded Income (i.e. after deducting part of the income calculated based on the local personnel costs and local tangible assets as per Pillar Two rules).

[2] Coca-Cola HBC Holdings B.V. qualifies as an Intermediate Parent Entity based on definitions of Pillar Two rules.

[3] Joint ventures have not been included in the interim assessment for simplicity purposes. Had they been included, we would not expect a material impact to the Group's effective tax rate.

[4] Constituent Entities are the entities in scope of the Pillar Two rules, i.e. entities included in the financial statements with full consolidation and certain joint ventures to which the Group participates with a 50% ownership share.

7. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares outstanding during the period (first half of 2024: 365,848,891, first half of 2023: 367,509,476). Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive ordinary shares arising from exercising employee stock options.

8. Intangible assets and property, plant and equipment

	Intangible assets € million	Property, plant and equipment € million
Net book value as at 1 January 2024, excluding right-of-use assets	**2,569.8**	**2,847.5**
Additions	**—**	**237.4**
Disposals	**—**	**(8.9)**
Amortisation, depreciation and impairment	**(0.4)**	**(158.4)**
Foreign currency translation	**(72.6)**	**(172.8)**
Net book value as at 28 June 2024, excluding right-of-use assets	**2,496.8**	**2,744.8**
Net book value as at 1 January 2024 of right-of-use assets		**209.6**
Net book value as at 28 June 2024 of right-of-use assets (Note 12)		**214.5**
Net book value as at 28 June 2024		**2,959.3**

Impairment considerations for goodwill and other indefinite-lived intangible assets

The Group performed its annual impairment testing in 2023 where the recoverable amount was higher than the carrying amount of all cash-generating units (CGUs) with the exception of its Egyptian CGU, for which an impairment loss was recognised. For the six months ended 28 June 2024, considering the financial performance of the CGUs and macroeconomic conditions in the reported period, including changes in government bond yields, management did not identify any indication which would trigger the need for an impairment assessment.

The Group continuously monitors its Egyptian CGU in order to ensure that timely actions and initiatives are undertaken to minimise any potential adverse impact on its expected performance, particularly in relation to macroeconomic volatility.

Change in accounting estimate

In 2024, the Group has applied a change in the estimate of useful lives applicable to certain categories of software assets and coffee machines. As a result, effective 1 January 2024, the expected useful life of the specific categories was extended by three to six years. The change was driven by a reassessment of the expected period of usage and the impact in depreciation expense for the six months ended 28 June 2024 was insignificant.

9. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk, liquidity risk and capital risk. There have been no material changes in the risk management policies since the previous year end.

As described in the 2023 Integrated Annual Report, the Group actively manages its liquidity risk. The Group maintains a healthy liquidity position and is able to meet its liabilities as they fall due. As at 28 June 2024, the Group has net debt of €1.8 billion (Note 10). In addition, as at 28 June 2024, the Group has cash and cash equivalents and other financial assets of €2.2 billion (Note 10), an undrawn Revolving Credit Facility of €0.8 billion, an uncommitted Money Market Loan agreement of €0.2 billion, as well as €0.8 billion available out of the €1.0 billion Commercial Paper Programme. None of the Group's debt facilities are subject to any financial covenants that would impact its liquidity or access to capital. In May 2024, Moody's reaffirmed its credit rating of Baa1 and P2 for the Group's long-term and short-term debt respectively, with stable outlook.

The Group's financial instruments recorded at fair value are included in Level 1, Level 2 and Level 3 within the fair value hierarchy as described in the 2023 Integrated Annual Report.

The fair value of bonds and notes payable applying the clean market price, as at 28 June 2024, was €3,299.7 million compared to their book value of €3,487.3 million, as at the same date. The money market funds recorded at fair value are included in Level 1 within the fair value hierarchy. As at 28 June 2024, the fair value of the money market funds amounted to €293.1 million (€513.8 million as at 31 December 2023).

As at 28 June 2024, the total derivatives included in Level 2 were financial assets of €26.0 million and financial liabilities of €15.9 million. The Group recognises embedded derivatives whose risks and economic characteristics were not considered to be closely related to the commodity contract in which they were embedded. The valuation techniques used to determine their fair value maximised the use of observable market data. The fair value of the embedded derivatives as at 28 June 2024 amounted to a financial liability of €0.2 million and are classified within Level 2.

In 2024, the Group entered into fixed-to-floating interest rate swaps with a notional amount of €600 million in connection with the €600 million bond issued in February 2024 and maturing in February 2028, in anticipation of interest rates' decrease, which were designated as fair value hedges. The fair value of the interest rate swaps as at 28 June 2024 amounted to a financial liability of €0.2 million and are classified within Level 2.

The Group uses derivatives to mitigate the commodity price risk related to plastics. As the valuation of these derivatives uses prices that are not observable in the market, it is classified within Level 3. The fair value of the derivatives related to plastics as at 28 June 2024 amounted to a financial asset of €0.4 million and financial liability of €1.8 million.

The Group has entered into foreign exchange swap derivative contracts to support the foreign currency liquidity needs of our operation in Nigeria. As the valuation technique of these derivatives incorporates greater use of unobservable inputs, their fair value is classified within Level 3. The fair value of these derivatives as at 28 June 2024 were financial liabilities of €28.4 million.

There were no transfers between Levels 1, 2 and 3 during the six months ended 28 June 2024.

10. Net debt

	As at	
	28 June 2024	31 December 2023
	€ million	€ million
Current borrowings	**978.6**	948.1
Non-current borrowings	**3,073.5**	2,476.4
Interest rate swaps (fixed-to-floating)	**0.2**	—
Less: Cash and cash equivalents	**(1,091.2)**	(1,260.6)
- Financial assets at amortised cost	**(841.4)**	(54.8)
- Financial assets at fair value through profit or loss	**(293.1)**	(513.8)
Less: Other financial assets	**(1,134.5)**	(568.6)
Net debt	**1,826.6**	**1,595.3**

In February 2024 the Group completed the issue of a €600 million Euro-denominated fixed rate bond maturing in February 2028 with a coupon rate of 3.375%.

In December 2019 the Group established a loan facility of US Dollar 85.0 million to finance the purchase of production equipment by the Group's subsidiary in Nigeria. The facility has been drawn down by Nigerian Bottling Company Ltd ('NBC') over the course of 2020 and 2021 maturing in 2027, as disclosed in the 2023 Integrated Annual Report. The obligations under this facility are guaranteed by Coca-Cola HBC AG. As at 28 June 2024, the outstanding liability amounted to €41.2 million (€45.4 million as at 31 December 2023).

As a result of sanctions and other regulations, there have been changes in required regulatory approvals, potentially impacting the transfer and usage of cash outside of Russia. Cash and cash equivalents held by the Group's operations in Russia (including Multon) amounted to €468.2 million equivalent in Russian Rouble, US Dollar and Euro as at 28 June 2024. The aforementioned changes restrict the usage of cash held in Russia outside the country, however they are not expected to have a material impact on the Group's liquidity.

The financial assets at amortised cost comprise of time deposits amounting to €841.4 million (31 December 2023: €54.8 million). The financial assets at fair value through profit or loss are related to money market funds. Included in 'Other financial assets' of the condensed consolidated interim balance sheet are derivative financial instruments of €17.3 million (31 December 2023: €97.5 million) and related party loans receivable of €1.8 million (31 December 2023: €1.8 million).

11. Share capital, share premium and treasury shares

	Number of shares (authorised and issued)	Share capital € million	Share premium € million
Balance as at 1 January 2023	**372,086,095**	**2,024.3**	**2,837.4**
Shares issued to employees exercising stock options	891,127	6.0	8.2
Dividends (Note 13)	—	—	(289.9)
Balance as at 31 December 2023	**372,977,222**	**2,030.3**	**2,555.7**
Shares issued to employees exercising stock options	262,340	1.8	2.0
Dividends (Note 13)	—	—	(342.9)
Balance as at 28 June 2024	**373,239,562**	**2,032.1**	**2,214.8**

In 2023, the share capital of Coca-Cola HBC increased by the issuance of 891,127 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €14.2 million.

For the six months ended 28 June 2024, the share capital of Coca-Cola HBC increased by the issuance of 262,340 new ordinary shares following the exercise of stock options pursuant to the Coca-Cola HBC AG's employees' stock option plan. Total proceeds from the issuance of the shares under the stock option plan amounted to €3.8 million.

An amount of €23.4 million in the first half of 2024 (first half of 2023: €29.7 million) relates to treasury shares provided to employees in connection with vested performance share awards under the Company's employee incentive scheme, which was reflected as an appropriation of reserves between 'Treasury shares' and 'Other reserves' in the condensed consolidated interim statement of changes in equity.

Following the above changes, on 28 June 2024 the share capital of the Group amounted to €2,032.1 million and comprised 373,239,562 shares with a nominal value of CHF 6.70 each.

On 20 November 2023, the Group announced the launch of a share buyback programme of up to a maximum of 18,000,000 ordinary shares to be purchased in a manner consistent with the Company's general authority to repurchase shares granted at its Annual General Meeting on 17 May 2023 and any such authority granted at its following annual general meetings. The programme commenced on 21 November 2023 and is expected to run for a period of around two years. At its Annual General Meeting on 21 May 2024, the Company's general authority to repurchase shares was renewed. As at 28 June 2024, the Group had purchased shares under the programme for a total consideration of €116.3 million (as at 31 December 2023: €42.6 million), which was reflected in line 'Acquisition of treasury shares' of the condensed consolidated interim cash flow statement and the condensed consolidated interim statement of changes in equity.

12. Leases

The leases which are recorded on the consolidated interim balance sheet are principally in respect of buildings and vehicles. The Group's right-of-use assets and lease liability are presented below:

	As at	
	28 June 2024	31 December 2023
	€ million	€ million
Land and buildings	116.7	105.2
Plant and equipment	97.8	104.4
Total right-of-use assets (Note 8)	**214.5**	**209.6**
Current lease liabilities	56.7	55.3
Non-current lease liabilities	156.9	154.8
Total lease liabilities	**213.6**	**210.1**

13. Dividends

On 17 May 2023, the shareholders of Coca-Cola HBC AG at the Annual General Meeting approved a dividend distribution of 0.78 euro per share. The total dividend amounted to €289.9 million and was paid on 19 June 2023. Of this, an amount of €2.7 million related to shares held by the Group.

The shareholders of Coca-Cola HBC AG approved a dividend distribution of 0.93 euro per share at the Annual General Meeting held on 21 May 2024. The total dividend amounted to €342.9 million and was paid on 24 June 2024. Of this an amount of €3.2 million related to shares held by the Group.

14. Business Combinations

Acquisition of Finlandia Vodka Oy

On 1 November 2023, the Group acquired 100% of the issued shares of Brown-Forman Finland Oy ('BFF'), established in Finland, owner of the Finlandia Vodka brand. BFF was later renamed to Finlandia Vodka Oy ('Finlandia'). The acquisition enhances the Group's premium spirits business, while complementing its existing adult sparkling beverages portfolio and better positions the Group to strengthen partnerships with customers in strategically important channels such as hotels, restaurants and cafes ('HoReCa').

The fair value of the consideration for the acquisition of BFF consisted of US Dollar 193.8 million (€183.9 million), which was already paid as at 31 December 2023 and an additional payment, based on Finlandia's net financial position and working capital movement, of US Dollar 1.6 million (€1.5 million), which was finally agreed with the seller, according to the terms of the sale and purchase agreement, late in the first quarter of 2024 and paid in April 2024.

Details of the acquisition with regards to the finally determined fair values of the net assets acquired and goodwill are presented in the table below. The net assets acquired reflect the final total consideration of US Dollar 195.4 million (€185.4 million).

	Fair value € million
Trademarks	198.2
Property, plant and equipment[1]	6.7
Inventories	4.9
Trade, other receivables and assets	9.1
Cash and cash equivalents	3.5
Borrowings[1]	(6.5)
Trade and other payables	(9.7)
Net deferred tax liability	(28.2)
Net identifiable assets acquired	**178.0**
Add: Goodwill arising on acquisition	7.4
Net assets acquired	**185.4**

[1.] Property, plant and equipment and borrowings acquired relate to right-of-use assets and lease liability, respectively.

The finalisation of the additional consideration is a measurement period adjustment under IFRS 3 'Business combinations', which resulted in an increase of 'Trademarks', 'Net deferred tax liability' and 'Other current liabilities' by €1.2 million, €0.2 million and €1.0 million respectively, compared to the provisionally determined fair values of the net assets acquired and the additional consideration payable disclosed in the 2023 Integrated Annual Report. Accordingly, the comparative information of the condensed consolidated interim balance sheet was revised to reflect the effect from finalisation of the additional consideration for the acquisition of Finlandia, as described above.

The goodwill arising from the acquisition is attributable to the brand's growth potential across the Group's markets.

14. Business Combinations (continued)

Acquisition of BDS Vending Solutions

During the first half of 2024, the Group reached an agreement to acquire 100% of BDS Vending Solutions Ltd, a well-established food and drink vending services business in Ireland. The acquisition is subject to approval by the Competition and Consumer Protection Commission in Ireland and is anticipated to be completed over the coming months. Acquisition costs incurred during the first half of 2024 in connection with the above acquisition amounted to €0.6 million, which were included in line 'Operating expenses' of the condensed consolidated interim income statement.

15. Related party transactions

a) The Coca-Cola Company

As at 28 June 2024, The Coca-Cola Company and its subsidiaries indirectly owned approximately 21% (31 December 2023: 21%) of the issued share capital of Coca-Cola HBC. The below table summarises transactions with The Coca-Cola Company and its subsidiaries:

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Purchases of concentrate, finished products and other items	**1,017.5**	978.5
Net contributions received for marketing and promotional incentives	**78.0**	57.3
Sales of finished goods and raw materials	**2.3**	2.6
Other income	**1.8**	1.9
Other expenses	**0.3**	1.8

As at 28 June 2024, the Group was owed €72.1 million (31 December 2023: €42.8 million) by The Coca-Cola Company and owed €341.9 million (31 December 2023: €273.4 million) to The Coca-Cola Company.

b) Frigoglass S.A. ('Frigoglass'), Kar-Tess Holding and AG Leventis (Nigeria) Ltd.

Truad Verwaltungs AG currently indirectly owns approximately 99% (31 December 2023: 99%) of AG Leventis (Nigeria) Ltd and also indirectly controls Kar-Tess Holding, which holds approximately 23% (31 December 2023: 23%) of Coca-Cola HBC's total issued capital.

As at 1 January 2023, Truad Verwaltungs AG also indirectly owned approximately 48% of Frigoglass. In April 2023, Frigoglass restructured its debt which resulted in changes to its ownership structure. The restructured Frigoglass Group no longer meets the definition of related party as per IAS 24 'Related party disclosures' for Coca-Cola HBC AG. Accordingly, only transactions with Frigoglass and its subsidiaries up to April 2023 are presented below:

	Four months ended 28 April 2023
	€ million
Purchases of coolers and other equipment, raw and other materials	24.4
Maintenance, rent and other expenses	10.0

During the six months ended 28 June 2024, the Group incurred other expenses of €3.0 million (€7.1 million in the respective prior-year period) from AG Leventis (Nigeria) Ltd. As at 28 June 2024, Coca-Cola HBC owed €1.2 million (31 December 2023: €1.1 million) and had a lease liability of €0.7 million (31 December 2023: €1.2 million) to AG Leventis (Nigeria) Ltd.

15. Related party transactions (continued)

c) Other related parties

During the six months ended 28 June 2024, the Group incurred other expenses of €10.1 million (€9.9 million in the respective prior-year period) mainly related to maintenance services for cold drink equipment and installations of coolers, fountains, vending and merchandising equipment, as well as subsequent expenditure for fixed assets of €1.2 million (€1.5 million in the respective prior-year period) from other related parties. In addition, during the six months ended 28 June 2024, the Group purchased coolers and other equipment, as well as inventory of €19.8 million (€25.4 million of inventory in the respective prior-year period) from other related parties.

We disclosed in our 2023 Integrated Annual Report that Frigoglass Industries (Nigeria) Limited, an associate in which the Group holds an effective interest of approximately 24% through its subsidiary Nigerian Bottling Company Ltd is a guarantor under the senior secured notes issued in 2023 by the restructured Frigoglass Group. The Group has no direct exposure arising from this guarantee arrangement, but the Group's investment in this associate, which stood at €10.2 million as at 28 June 2024 (31 December 2023: €14.0 million), would be at potential risk if there was a default under the terms of the senior secured notes and the restructured Frigoglass Group (including the guarantor) were unable to meet their obligations thereunder.

During the six months ended 28 June 2024, the Group received dividends of €1.0 million from other related parties (€7.0 million in the respective prior-year period), which are included in line `Receipts from non-integral equity method investments' of the condensed consolidated interim cash flow statement.

As at 28 June 2024, the Group owed €12.0 million (31 December 2023: €9.1 million) to and was owed €10.9 million, including loans and dividends receivable of €9.6 million and €1.2 million respectively (31 December 2023: €6.7 million including loans and dividends receivable of €4.3 million and €nil respectively) from other related parties.

Capital commitments to other related parties amounted to €2.5 million as at 28 June 2024 (31 December 2023: €3.8 million).

d) Joint ventures

The below table summarises transactions with joint ventures:

	Six months ended	
	28 June 2024	30 June 2023
	€ million	€ million
Purchases of inventories	**15.7**	11.6
Sales of finished goods and raw materials	**4.4**	3.8
Other income	**5.6**	5.6
Other expenses	**4.0**	4.3

During the six months ended 28 June 2024, the Group received dividends of €2.6 million from integral joint ventures (€1.5 million in the respective prior-year period), which are included in line 'Receipts from integral equity method investments' of the condensed consolidated interim cash flow statement.

As at 28 June 2024, the Group owed €12.1 million including loans payable of €2.6 million (31 December 2023: €8.6 million including loans payable of €2.7 million) to, and was owed €19.6 million, including loans and dividends receivable of €4.3 million and €8.6 million respectively (31 December 2023: €12.3 million, including loans and dividends receivable of €4.3 million and €2.6 million respectively) from joint ventures.

e) Directors

There have been no transactions between Coca-Cola HBC and the Directors and senior management except for remuneration for the six months ended 28 June 2024.

There were no other significant transactions with other related parties for the period ended 28 June 2024.

16. Contingencies

In relation to the Greek Competition Authority's decision of 25 January 2002, one of Coca-Cola Hellenic Bottling Company S.A.'s competitors had filed a lawsuit against Coca-Cola Hellenic Bottling Company S.A. claiming damages in an amount of €7.7 million. The court of first instance heard the case on 21 January 2009 and subsequently rejected the lawsuit. The plaintiff appealed the judgement and on 9 December 2013 the Athens Court of Appeals rejected the plaintiff's appeal. On 19 April 2014, the same plaintiff filed a new lawsuit against Coca-Cola Hellenic Bottling Company S.A. (following the spin-off, Coca-Cola HBC Greece S.A.I.C.) claiming payment of €7.5 million as compensation for losses and moral damages for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. between 1994 and 2013. On 21 December 2018, the plaintiff served their withdrawal from the lawsuit. However, on 20 June 2019, the same plaintiff filed a new lawsuit against Coca-Cola HBC Greece S.A.I.C. claiming payment of €10.1 million as compensation for losses and moral damages again for alleged anti-competitive commercial practices of Coca-Cola Hellenic Bottling Company S.A. for the same period between 1994 and 2013. On 16 July 2021, the Athens Multimember Court of First Instance issued its judgement number 1929/2021 (hereinafter the 'Judgement'), which adjudicated that Coca-Cola HBC Greece S.A.I.C. is obliged to pay to the plaintiff an amount of circa €0.9 million plus interest as of 31 December 2003. Both Coca-Cola HBC Greece S.A.I.C and the plaintiff appealed against this decision to the court of appeals. On 31 May 2024, decision no. 2312/2024 was issued by the Court of Appeal which (a) rejected the appeal of Agni ABEE, (b) accepted the appeal of Coca-Cola HBC Greece S.A.I.C., (c) annulled the Judgement (decision no. 1929/2021) and (d) rejected the lawsuit of Agni ABEE, dated 20/06/2019. Management believes that any liability to the Group that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial position of the Group taken as a whole.

With respect to the investigation of the Greek Competition Commission initiated on 6 September 2016, regarding Coca-Cola HBC Greece S.A.I.C.'s operations in certain commercial practices in the non-alcoholic beverages market, the Rapporteur of the Greek Competition Commission appointed for this case issued her Statement of Objections on 5 July 2021, alleging that Coca-Cola HBC Greece S.A.I.C. undertook a series of anti-competitive practices in the market of instant consumption for cola and non-cola carbonated soft drinks, thereby excluding competitors and limiting their growth potential. Coca-Cola HBC Greece S.A.I.C. has vigorously defended its commercial practices, in rebuttal of the allegations set out in the Statement of Objections. The hearing of the case, before the plenary session of the Greek Competition Commission, was concluded on 29 November 2021 and the supplementary briefs of the parties were submitted on 16 December 2021. On 3 November 2022, the Hellenic Competition Commission notified Coca-Cola HBC Greece S.A.I.C. of its ruling on the case, according to which Coca-Cola HBC Greece S.A.I.C. allegedly abused its dominant position in the Greek immediate consumption market segment for cola and non-cola carbonated soft drinks. The Hellenic Competition Commission ruling imposed on Coca-Cola HBC Greece S.A.I.C. a fine of €10.3 million, as well as a behavioural remedy in relation to beverage coolers valid until end of 2024. Coca-Cola HBC Greece S.A.I.C. paid the fine in May 2023. Coca-Cola HBC Greece S.A.I.C. strongly disagrees with this ruling and has challenged it before the competent Court of Appeal. The hearing date of the appeal is set for 26 September 2024.

In 1992, our subsidiary NBC acquired a manufacturing facility in Nigeria from Vacunak, a Nigerian company. In 1994, Vacunak filed a lawsuit against NBC, alleging that a representative of NBC had orally agreed to rescind the sale agreement and instead enter into a lease agreement with Vacunak. As part of its lawsuit, Vacunak sought compensation for rent and loss of business opportunities. NBC discontinued all use of the facility in 1995. On 19 August 2013, NBC received the written judgement of the Nigerian court of first instance issued on 28 June 2012 providing for damages of approximately €5.1 million. The Appeal Court dismissed NBC's appeal and Vacunak's cross-appeal and affirmed the judgement of the first instance court in 2023. Both NBC and Vacunak have filed an appeal against the judgement before the Supreme Court. Based on advice from NBC's outside legal counsel, we believe that it is unlikely that NBC will suffer material financial losses from this case. We have consequently not provided for any losses in relation to this case.

The tax filings of the Group and its subsidiaries are routinely subjected to audit by tax authorities in most of the jurisdictions in which the Group conducts business. These audits may result in assessments of additional taxes. The Group provides for additional tax in relation to the outcome of such tax assessments, to the extent that a liability is probable and estimable.

The Group is also involved in various other legal proceedings. Management believes that any liability to the Group that may arise as a result of these pending legal proceedings will not have a material adverse effect on the results of operations, cash flows, or the financial position of the Group taken as a whole.

16. Contingencies (continued)

Considering the above, there have been no significant adverse changes in contingencies since 31 December 2023 (as described in our 2023 Integrated Annual Report available on the Coca-Cola HBC's website: www.coca-colahellenic.com).

17. Commitments

As at 28 June 2024 the Group had capital commitments, including commitments for leases and the share of its joint ventures' capital commitments, amounting to €273.6 million (31 December 2023: €203.4 million), which mainly related to plant and machinery equipment.

18. Number of employees

The average number of full-time equivalent employees in the first half of 2024 was 32,799 (first half of 2023: 32,561).

19. Subsequent Events

On 29 June 2024, a fire broke out in the production plant of Bambi, our confectionery business in Serbia. No employees were injured in the incident, however this resulted in damages mainly to buildings and production equipment thus impacting production capacity in connection with our Plazma product portfolio. At this stage we estimate that impairment losses in connection with property, plant and equipment damaged in the fire will be approximately €13 million. We are prioritising our employees' well-being and swift restoration of our production facilities to full capacity, which is progressing in line with our plans, while working together with our insurers to settle relevant claims regarding property damage, business losses and incremental costs incurred.

In July 2024 the Group established a loan facility of US Dollar 130.0 million with the European Bank for Reconstruction and Development (EBRD) to finance the capital expenditure and working capital requirements of the Group's subsidiary in Egypt. The facility will be drawn down over the course of 2024 and 2025 and ultimately matures in 2031.