



<b>Share Price:</b>		<b>18,77</b>
Closing Price as 22/02/16		
Price High 52week		23.16
Price Low 52week		15.54
Market capitalisation		6,910,012,145
Current num. of shares		368,141,297
Long Term Debt		923,000,000,00

Key Financials	12/15	12/16E	12/17E
Sales	6,316,100,000	6,605,818,720,00	6,719,679,337,26
EBITDA	758,400,000	777,407,310,40	795,377,553,61
EBITDA margin	12%	12%	12%
Total Debt/Equity	75%	60%	60%
P/E	20,00	24,00	28,00
EPS	0,76	0,72	0,75
Dividend/Share	0,40	N/A	N/A

<b>Enterprise Value</b>	<b>9.293.932.611</b>
<b>Shareholders value</b>	<b>8.370.932.611</b>

**COCA COLA HBC**  
**Sector: Foods-Beverages**

**Activity:** Production, sale and distribution of soft drinks, of the Coca-Cola company, and other fruit juices, mineral water.

**Outlook:**

We reiterate our Coca Cola HBC target price at 21,70 Euros/Share and retain our UV Thesis on the back of the satisfactory FY15 results.

Coca Cola HBC is one of our Top Picks for the Hellenic Equities Universe and has fully confirmed our estimates and projections. Coca Cola HBC's FY15 results confirmed the anticipated reduction in Emerging Markets sector sales and the marginal increase in Developed Markets sector sales.

Additionally, the Group's annual results were in-line with our estimates for the operating expenses level as we factored the Group's efforts towards operating efficiency.

Coca Cola HBC's net profit was enhanced by the favorable raw material prices (sugar, copper, raisin), lower interest expense and tax rate than anticipated.

We retain our Investment Thesis, (UV), incorporating the operating efficiency of the Group, the Company's guidance for the increase in Units cases for the three Market sectors and the turnaround in Emerging Markets Sales evidenced from 2016 and on.

Coca Cola H.B.C presented its FY15 Financial Results on 19/02/16. The most important fact was the increase in the volume of sales (measured in millions of cases) in the three main geographical areas which the Group operates, the highest price per box (unit cases/sales) for the Established market sector compared to the FY14 the slight improvement in operating costs and the lower interest and tax expenses.

Specifically, the unit cases volumes in the Emerging and the Developed markets sector increased with a favorable product mix while the unit volumes in the Developing markets sector increased with less favorable product mix and were also affected by the FX fluctuations. The Group's results for FY15 as well as the FY16 guidance provided indicate Coca Cola's HBC ability to maintain a Cash Flow generation level of c. 350mn to 400mn. Euros per annum for the 2016-2018 period, further confirming our positive view.

**Strengths:**

The ongoing restructuring project remains in line with management's expectations towards further operating margin improvement.

We incorporate in our model a better risk profile due to the relocation of the company. Accordingly we have used a 9,5% discount factor as a result of the lower risk premiums in the markets which Coca Cola HBC operates deriving a lower cost of capital than the one previously used.

**Weaknesses:**

Slow recovery in Sales in Emerging Markets.

Current Market Cap. implies high P/E and P/BV multiples (even by Coca Cola's HBC historical multiples)

The current valuation is extremely sensitive to the discount factors utilized in our model.

**Date**

**23/2/2016**

<b>FAIR ESTIMATED PRICE</b>	<b>21,70</b>
<b>Δ% from Current Price</b>	<b>16%</b>
<b>Investment Thesis</b>	<b>UV</b>

## Coca Cola HBC Summary tables

Income Statement	2015	2016E	2017E	2018E	2019E
Established Countries	2.485.600.000	2.509.244.000	2.544.765.265	2.568.477.459	2.589.008.330
Developing Countries	1.092.000.000	1.112.469.120	1.146.046.889	1.174.888.061	1.191.934.831
Emerging Countries	2.768.500.000	2.984.105.600	3.028.867.184	3.089.444.528	3.151.233.418
Total Sales	<b>6.346.100.000</b>	<b>6.605.818.720</b>	<b>6.719.679.337</b>	<b>6.832.810.048</b>	<b>6.932.176.579</b>
Cost of goods	4.018.700.000	4.227.723.981	4.300.594.776	4.372.998.430	4.436.593.010
Gross Profit	2.327.400.000	2.378.094.739	2.419.084.561	2.459.811.617	2.495.583.568
Operating Expenses	1.855.200.000	1.915.687.429	1.948.707.008	1.981.514.914	2.010.331.208
Impairment of intangible assets		-	-		
Restructuring costs	<b>51.000.000</b>	<b>35.000.000</b>	<b>25.000.000</b>	<b>25.000.000</b>	<b>25.000.000</b>
Non-recurring items					
EBITDA	<b>758.400.000</b>	<b>777.407.310</b>	<b>795.377.554</b>	<b>803.296.703</b>	<b>810.252.361</b>
Depreciation	340.200.000	350.000.000	350.000.000	350.000.000	350.000.000
EBIT	<b>418.200.000</b>	<b>427.407.310</b>	<b>445.377.554</b>	<b>453.296.703</b>	<b>460.252.361</b>
Interest	68.200.000	75.000.000	75.000.000	75.000.000	75.000.000
Participation in Comp.	7.100.000				
EBT	<b>357.100.000</b>	<b>352.407.310</b>	<b>370.377.554</b>	<b>378.296.703</b>	<b>385.252.361</b>
Taxation	76.400.000	88.101.828	92.594.388	94.574.176	96.313.090
Net Income	<b>280.700.000</b>	<b>264.305.483</b>	<b>277.783.165</b>	<b>283.722.527</b>	<b>288.939.270</b>

Cash flow estimations (€)	2016E	2017E	2018E
EBIT	462.407.310,40	470.377.553,61	478.296.703,33
Taxation	25%	25%	25%
NOPAT	346.805.482,80	352.783.165,21	358.722.527,50
Depreciation	350.000.000,00	350.000.000,00	350.000.000,00
Capital Exp.	350.000.000,00	300.000.000,00	300.000.000,00
IWC	-3.310.160,00	-4.972.977,05	-3.319.707,16
NCF	350.115.642,80	407.756.142,26	412.042.234,65

Growth/Margins/Metrics(€)	12/14	12/15	12/16E
Sales Growth Y-Y	-5%	-3%	4%
EBITDA growth Y-Y	-3%	4%	3%
Net Profit/Loss growth Y-Y	33%	-5%	-6%
RATIOS	12/14	12/15	12/16E
Debt/Equity	75%	60%	60%
Capex/EBITDA	50%	49%	45%
ROE	10,04%	10%	9,30%
WACC	5,89%	5,99%	5,99%
VALUATION	12/14	12/15	12/16E
Book Value	7,57	7,65	7,65
P/BV	2,11	2,33	2,84
P/E	20,00	24,00	28,00

### Σημειώσεις/Notes

P:	Τρέχουσα Τιμή	Market Price
MCAP:	Κεφαλαιοποίηση	Capitalization
EPS:	Καθαρά Κέρδη Ανά Μετοχή	Earnings per Share
P/E:	Λόγος Τιμής προς Κέρδη	Price/Earnings Ratio
P/S:	Λόγος Τιμής προς Πωλήσεις	Price/Sales Ratio
D/A:	Συνολικός Δανεισμός προς Παθητικό	Total Debt/Assets Ratio
DY:	Απόδοση Μερίσματος	Dividend Yield
ROE:	Απόδοση Ισίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

### Οδηγός Συστάσεων/Ratings

<b>UV</b>	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
<b>UV1</b>	Χαμηλή Αποτίμηση/ Κίνδυνος	Stock Price < 20% of Fair
<b>FV</b>	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Risk
<b>OV1</b>	Σωστή Αποτίμηση/ Κίνδυνος	Stock Price < 10% of Fair
<b>OV</b>	Υπερτιμημένη Μετοχή	Fairly Priced/ Small Risk
		10% < Stock Price < 10%
		Fairly Priced/ Risk
		Stock Price > 10% of Fair
		Overvalued
		Stock Price > 20% of Fair

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