



COCA COLA HBC.

Outlook:

We upgrade Coca Cola HBC Fair Estimated price to 23,00Euros/Share from 22,00 previously on the back of strong HY'17 results.

HY'17 results showed the successful combination of important revenue and product volume growth paired with substantial operating earnings despite the slightly increased operating costs confirming the Group's efforts towards the improvement of product mix and operating efficiency.

We retain our investment thesis, as we gained further visibility regarding the ability of the Group to generate strong FCFF.

Date: 29/08/17

FAIR ESTIMATED PRICE: **23.00Euros/Share**

Investment Thesis: **FW**

Key Statistics:

Valuation	29/8/2017
Share Price	28,10
Price High 52 week	28,64
Price Low 52 week	19,07
Current num. of shares	367.769.779
Trailing P/E	53
Market Cap.	10.334.330.790
EPS (Trailing)	0,526
DPS(Proposed)	0,44
<i>*Closing Price as 28/08/2017</i>	

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COCA COLA HBC-HY'17 UPDATE

Coca Cola HBC's HY'17 results were characterized by the solid growth in total revenues both in terms of reporting and FX neutral income, the satisfactory volume growth in the three geographical segments the Group operates and the solid improvement in operating margin that further expanded Group profitability for the period.

The Group's reported half year 2017 financial results depicted significant growth in volume cases sold combined with the improvement of Revenue/case for all three main Geographical sectors the Group operates. The above mentioned result is mainly attributed to the softer impact of the FX fluctuations to the reported consolidated revenues, the improvement in the product mix and the evidenced increased pricing power. Specifically, in the Established sector the volume of cases sold rose by 0.80% incorporating the "late Easter" effect and the warm weather conditions especially during the second quarter of 2017 and the sector's revenue/case came up at 4.02Euros. In the Developing sector equal growth in cases sold resulted in a boost to revenue/case 2.86Euros from 2.96Euros on a half-year basis. Finally, the Emerging sector marked a 1.90% increase in volume cases sold paired with improved revenue/case that came up at 2.73Euros from 2.51 respectively.

In terms of operating performance the group managed to improve its EBIT margin to 8,00% from 7,00% despite the slight increase in the input costs on a half year basis. This growth is attributed to the improvement in operating profitability paired with the significant reduction in interest expenses after the successful debt refinancing for the Group. Moreover, Net profit stood at 191.8mn. Euros, marking 36.90% growth vis-à-vis the respective period of fiscal year 2016.

Coca Cola HBC's Net Revenues slightly exceeded our estimates that called for 3.15bn. Euros as its first semester ended up at 3.21bn. Euros. Moreover, the Group's operating earnings came up at 423mn. Euros slightly above our projections for 412mn. Euros and Net profitability stood at 191.8mn. above our estimates for 157.0mn. Euros.

We are satisfied by the Group's first half results, as we notice important signs of reversal in the downward sales trend in many markets across the three Geographical sectors which the Group operates and larger flexibility in pricing power.

However, despite these positive signs we should take into consideration the business challenges still persisting in two important geographic markets for the Group. Specifically, the markets of Russia and Nigeria are still facing important macro-economic challenges that could distort the positive reversal of revenue growth and equally harm the potential for further growth and improvement. Considering these, we believe that we should retain our valuation model assumptions that call for a mild long-term revenue growth and improvement in operating margin and profitability that leads to the generation of solid FCFF.

In closing remarks, we undoubtedly consider Coca Cola HBC as one of the most valuable picks among the Hellenic Equities universe and we are clearly satisfied by the Group's operating performance. We believe that the share's current price levels are reflecting expectations for a faster recovery in the Emerging sector growth, a fact that could possibly lead to further price appreciation and compel us to consider a further upgrade in our Fair estimated price.

Ρήτρα Περιορισμού Ευθύνης:

Απαγορεύεται η αναδημοσίευση του παρόντος χωρίς την άδεια της Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗΣ Α.Ε.Π.Ε.Υ. Οι απόψεις που περιέχονται βασίζονται σε πηγές που θεωρούνται αξιόπιστες, ωστόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. δεν ευθύνεται για την εγκυρότητα, ορθότητα ή αξιοπιστία τους και διατηρεί το δικαίωμα αλλαγής τους χωρίς πρότερη ειδοποίηση. Τόσο η Ν. ΧΡΥΣΟΧΟΪΔΗΣ ΧΡΗΜΑΤΙΣΤΗΡΙΑΚΗ Α.Ε.Π.Ε.Υ. όσο και οι διευθύνοντες και υπάλληλοι της δεν φέρουν ουδεμία ευθύνη για οποιαδήποτε συνέπεια των πληροφοριών αυτών. **Το παρόν δεν αποτελεί προσφορά, προτροπή ή επενδυτική πρόταση για αγορά ή πώληση μετοχών ή άλλων κινητών αξιών. Οι επενδύσεις που αναφέρονται ενδέχεται να μην είναι οι ενδεδειγμένες για ορισμένους επενδυτές.**

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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 Μερισμάτων	Dividend Yield
ROE:	Απόδοση Ιδίων Κεφαλαίων	Return on Equity
FV:	Τιμή Σωστής Αποτίμησης	Fair Value Price

Οδηγός Συστάσεων/Ratings

UV	Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος	Underpriced/ Small Risk
UV1	Χαμηλή Αποτίμηση/ Κίνδυνος	Underpriced/ Risk
FV	Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος	Fairly Priced/ Small Risk
OV1	Σωστή Αποτίμηση/ Κίνδυνος	Fairly Priced/ Risk
OV	Υπερτιμημένη Μετοχή	Stock Price >10% of Fair Overvalued
N/R	Μη Αποτιμημένη Μετοχή	Stock Price >20% of Fair Not Rated