



## Coca Cola Hellenic Bottling Company

### Investment Thesis

We are revising downwards our latest fair price estimate produced in 2019, to account for the pandemic, but we are suggesting that markets are currently overpricing risks.

If you are looking to take advantage of the lindy effect, then Coca Cola Hellenic Botling Company is a very attractive investment opportunity.

It is undisputable that the second wave of the COIVID-19 pandemic is driving down equity valuations but the effects will eventually fade away and the critical question to be answered is which business model is a going concern.

With decades of proven truck record and a healthy balance sheet, Coca Cola HBC is filling all the check boxes.

### Valuation

COCA COLA Hellenic Bottling Company is valued at €27.00 per share through a FCF exercise with an applied rate of 6.17%. This is an impressive plus 35% target from current levels that assumes the 2021 revenues will rebound and will be comparable to the 2019 results.

In the event that the pandemic effect continues, and the 2021 results are comparable to the 2020 results, our FCF exercise is still giving a plus 15% target from current levels, making our case even stronger.

So far, no line of the balance sheet, income or cash flow statement is raising any red flag. The inventory has increased reseanably, the accounts receivables are at the same levels as last year, the cash at hand has increased and at the same time the company's payables have decreased. As far are the running projects are concerned, the management has successfully launced the Costa Coffee product line, and the first results from the consolidation of Bambi's statements are beneficial.

<b>Date</b>	<b>3/11/2020</b>
<b>Fair Estimated Price (€)</b>	<b>27,00</b>
<b>Investment Thesis</b>	<b>UV</b>
<b>Bloomberg Ticker</b>	<b>EEEr</b>
<b>Reuters Ticker</b>	<b>EEE GA</b>
<b>Closing Price</b>	<b>19.75</b>
<b>Low/High price 52w</b>	<b>15.38 / 34.88</b>
<b>Market Cap (€mn)</b>	<b>7.257</b>
<b>EPS (2021F)</b>	<b>1,19</b>
<b>P/E (x)</b>	<b>16,5</b>
<b>DPS (2021F)</b>	<b>0,60</b>
<b>Dividend Yield %</b>	<b>8,4%</b>



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*All N. Chrysochoidis Stock Brokerage I.S.S.A. research is available on the company website and FactSet.*



<b>Summary Financials</b>				
<b>(€ mn)</b>	<b>2019A</b>	<b>2020F</b>	<b>2021F</b>	<b>2022F</b>
<b>Profit &amp; Loss Items</b>				
Total Net Revenues	7.026	6.183	6.492	6.817
EBIT	726	640	677	714
Net Income	499	409	441	471
<b>Balance Sheet Items</b>				
Total Assets	8.215	7.652	8.462	8.975
Cash at Hand	824	1.132	2.010	2.348
Total Equity	2.678	2.858	3.075	3.324
<b>Cash Flow Items</b>				
Operating Cash Flow	933	616	1.601	961
Free Cash Flow	449	206	1101	561
<b>Key Financial Ratios</b>				
Revenue Growth	5,5%	-12,0%	5,0%	5,0%
EBIT margin %	10,3%	10,4%	10,4%	10,5%
EPS	1,35	1,10	1,19	1,27
DPS	2,52	0,62	0,60	0,60
Dividend Yield	8,4%	3,2%	3,1%	3,1%
ROE	18,6%	14,3%	14,3%	14,2%
P/E (x)	22,4	17,7	16,5	15,4

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