

CCBA celebrates fifth anniversary since merger

Africa Day coincides with a big milestone for Coca-Cola Beverages Africa (CCBA) this year, as the company celebrates its fifth birthday as the biggest Coca-Cola bottler on the continent, with a growing contribution to economic growth and shared prosperity.



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When CCBA was established in 2016, a number of opportunities were identified for realising its growth potential, including to expand into territories the company hadn't operated in before, and to consolidate existing territories.

Research by Fitch Solutions shows that the global soft drinks industry was worth around \$295bn in 2018 and is expected to grow to \$377bn by 2023. Africa accounts for only 3% of this total value, despite representing 16% of the global population, which is expected to reach 25% by 2050.

By October 2020, the company had successfully concluded acquisitions in four new countries, increasing its markets to 14 countries, and also acquired significant business interests in Kenya.

The company now boasts a diverse African footprint, with more than 40 bottling plants servicing over 650,000 outlets that serve a combined population of over 450 million people across the continent.

It directly employs more than 17,000 people and enjoys the number-one market position in most of its territories.



Coca-Cola Beverages Africa acquires share in Lesotho bottler

10 May 2021



"By leveraging our infrastructure and processes to unlock operational efficiencies and synergies, we have greatly improved customer service, expanded our beverage portfolio, strengthened our route to market and, importantly, accelerated the development of communities and employees," said CCBA CEO, Jacques Vermeulen.

"As a stronger, more successful beverage bottling business, we are able to create greater shared opportunity for the business as well as the communities we serve across the value chain through job creation, skills development and support for small-to-medium sized enterprises."

Creating a greater shared opportunity

In South Africa, employees are now an even bigger part of the company's shareholding structure. Employees have been given an additional 10% of shares, bringing the total number of shares held by all employees to 15%. The company has also redirected R7.8bn of its procurement spend to black-owned and black women-owned suppliers over three years, against its own preferential procurement target of R3.9bn for the period. New suppliers are integrated into the CCBSA supply chain and assisted to meet the company's requirements.

CCBSA's agricultural development fund, the Mintirho Foundation, has disbursed more than R294m to date to support the establishment of new agricultural businesses that have created much-needed employment in rural communities. In addition, through the Mintirho Foundation Trust's flexible funding instruments and operational support, beneficiaries have been able to diversify their operations, focusing on producing high-income crops such as macadamia nuts, citrus, and pome fruit.



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Environmental impact

CCBA has introduced many initiatives across Africa to improve on the impact of its operations on the environment, focusing on the reduction of water consumption, energy usage and waste generation.

CCBA has significantly reduced the amount of water required to produce one litre of product over the past five years and in 2020 alone reduced its usage by 463 Megalitres, equivalent to 186 swimming pools of Olympic size.

The company has also managed to contain its energy efficiency to 0.32 Megajoules for manufacturing a litre of product, despite facing the challenges to incorporate manufacturing its own supply of PET preforms and expanding into new countries, in many cases inheriting older equipment with less energy efficient profiles.

CCBA has adopted a digital strategy to enable the business to operate as one, deploying Microsoft Dynamics 365, Microsoft 365, and Azure to reduce IT costs from 2.85% of net sales revenue to just below 1.4% of net sales revenue, while enhancing its customer and employee experience in the process.

This stood the company in good stead when the Covid-19 pandemic struck, allowing CCBA to continue operating and communicating seamlessly throughout.

By focusing on safeguarding employees, enhancing liquidity, taking care of communities and growing or maintaining its value share during the pandemic, CCBA adapted and found better, more effective ways of operating, which will accelerate its future growth.

A publicly traded company

In April, The Coca-Cola Company and CCBA announced plans to list CCBA as a publicly traded company. Shares will be listed within the next 18 months in Amsterdam and Johannesburg, with Amsterdam being the primary exchange.

"In the five years since the merger, CCBA has taken big strides towards realising its vision to refresh Africa every day and make the continent a better place for all," says Vermeulen.

"We have focused on accelerating growth and social development in our value chain and making clear commitments on waste, energy, water and land use to lead the way as a responsible business in Africa."

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