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Aboitiz Equity Ventures to acquire Coca-Cola Philippines

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Coca-Cola Europacific Partners plc (CCEP) has teamed up with Aboitiz Equity Ventures Inc. (AEV) to pursue the acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI) from The Coca-Cola Company (KO). CCBPI is a thriving business with promising growth potential and profitability.

The proposed deal will strengthen CCEP's global presence as the largest Coca-Cola bottler in terms of revenue and volume, following its recent expansion into Australia, Pacific & Indonesia (API) in 2021.

CCEP and AEV have signed a non-binding Term Sheet and are currently in advanced talks regarding a joint acquisition of CCBPI from KO, with a 60:40 ownership structure between CCEP and AEV. The parties have entered into a non-binding Letter of Intent with KO, outlining the proposed acquisition terms, consistent with KO's plan to divest bottling operations.

The acquisition of CCBPI presents an excellent opportunity for CCEP and AEV to co-purchase a well-established and profitable business. The deal aligns with CCEP's strategic growth objectives to diversify its API business segment and support Indonesia's transformation journey.

The enterprise value (EV) for CCBPI is estimated at $1.8 billion, to be paid in cash, which is expected to have a moderate impact on CCEP's leverage. The proposed acquisition is subject to due diligence, definitive agreements, and regulatory approvals, and there is no certainty that it will be completed. If the transaction proceeds, it is expected to close around the end of FY23, with CCEP as the majority owner (60 per cent) and AEV as the minority owner (40 per cent).

The business will be governed by a board of five members, with three appointed by CCEP and two by AEV. CCEP will also appoint the CEO. Further updates will be provided in due course.