

Media Release

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COCA-COLA AMATIL 2018 HALF YEAR RESULTS

RESULTS OVERVIEW

- **Statutory earnings before interest and tax (EBIT):** \$257.2 million - up 6.6 per cent
- **Statutory net profit after tax (NPAT)¹:** \$158.1 million - up 12.8 per cent
- Statutory earnings per share (EPS) up 17.8 per cent, while underlying² EPS declined by 1.6 per cent
- Underlying EBIT of \$297.5 million and underlying NPAT of \$178.8 million representing declines of 4.9 per cent and 5.9 per cent respectively
- Excellent performance in New Zealand and strong performance in Fiji
- Some encouraging signs in Australian Beverages with revenue growth and improving volume trajectory; earnings performance consistent with our plans to accelerate the reinvestment of cost savings in 2018
- Indonesia result impacted by soft market conditions; Papua New Guinea cycling the pre-election stimulus in 1H17 and experienced some operational issues
- Alcohol & Coffee delivered double-digit EBIT growth in our core business funding investments in growth initiatives
- Interim dividend of 21.0 cents per share (1H17: 21.0 cents per share), franked to 65 per cent (1H17: 70 per cent franked), representing an underlying payout ratio of 85.0 per cent for the half year
- Commencement of a strategic review of growth options for SPC – Australia's leading processor of packaged fruit and vegetables

Coca-Cola Amatil today reported its half year results for 2018, delivering a statutory net profit after tax (NPAT) of \$158.1 million and an underlying NPAT of \$178.8 million.

Coca-Cola Amatil Group Managing Director, Alison Watkins said the results included an excellent performance in New Zealand and strong performances in Fiji and Alcohol & Coffee with revenue, volume and EBIT growth in each market. Results in Indonesia were affected by soft market conditions.

There were some encouraging signs in Australian Beverages, with revenue growth and an improving volume trajectory in both sparkling and still beverages. This was despite some impacts from the introduction of the NSW container deposit scheme.

"The stabilisation of revenue and volume in Australian Beverages is consistent with our plans to reinvest cost savings in 2018, as part of the Accelerated Australian Growth Plan. While there is more to be done, we're pleased with our progress."

¹ Attributable to shareholders of Coca-Cola Amatil.

² Underlying refers to statutory results adjusted to exclude non-trading items.

"In Australian Beverages we saw volume growth in low- and no-sugar cola and an increase in value share driven by the transition to Coca-Cola No Sugar. This was accompanied by volume growth in water as well as in sports drinks.

"We also delivered strong growth in our double down growth areas of energy, adult sparkling and value-added-dairy.

"We are proud to have secured some significant customer renewals in the quick service restaurant channel, including Hungry Jacks and Craveable Brands.

"We've seen continued good performances from businesses such as New Zealand, Fiji and Alcohol & Coffee," said Ms Watkins.

Ms Watkins said the Indonesian business transformation strategy had not been sufficient to offset soft market conditions. The business has continued to invest in manufacturing facilities, cold-drink equipment and the rollout of its route-to-market model. Papua New Guinea delivered revenue and EBIT growth despite cycling favourable economic conditions from the national election in the first half of 2017 and experiencing some operational issues.

Ms Watkins said the review of SPC growth options coincides with the completion of a four-year, \$100 million co-investment in SPC in conjunction with the Victorian Government which included \$22 million by the Victorian Government and \$78 million by Coca-Cola Amatil.

"We believe there are many opportunities for growth in SPC, including new products and markets, further efficiency improvements, and technology and intellectual property. The review will look at how this growth could be unlocked, potentially through a change in ownership, alliances or mergers," Ms Watkins said.

Outlook

Ms Watkins said, "Our outlook is broadly consistent with what we presented previously and we remain committed to our shareholder value proposition.

"New Zealand & Fiji and Alcohol & Coffee are expected to continue delivering growth in line with our shareholder value proposition," Ms Watkins said.

"In Australia, our Accelerated Growth Plan will see continued investment across marketing, execution, cold drink equipment, technology and price.

"This investment, along with the uncertain impact of container deposit schemes in Australia and soft market conditions in Indonesia, will impact Group near-term earnings.

"In the medium-term we continue to target mid-single digit EPS growth, in line with our shareholder value proposition. Our level of performance depends on the success of revenue initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets."

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ABOUT COCA-COLA AMATIL

Coca-Cola Amatil is one of the largest manufacturers and distributors of ready-to-drink non-alcohol and alcohol beverages, coffee and ready-to-eat food snacks in the Asia Pacific region. Coca-Cola Amatil is also the authorised manufacturer and distributor of The Coca-Cola Company's beverage brands in Australia, New Zealand, Fiji, Indonesia, Papua New Guinea and Samoa. Coca-Cola Amatil directly employs around 13,000 people and indirectly creates thousands more jobs across the supply chain, partnering with key suppliers to manufacture, package, sell and distribute its products. With access to around 270 million potential consumers through more than 950,000 active customers Coca-Cola Amatil is committed to leading through innovation and building a sustainable future and delivering long-term value to shareholders.

For more information, visit www.ccamatil.com