2018 HALF YEAR RESULT

22 August 2018

ccamatil.com

COCA-COLA AMATIL

Alison Watkins
Group Managing Director

Martyn Roberts
Group Chief Financial Officer

David Akers
Group Head of
Investor Relations

DISCLAIMER

Coca-Cola Amatil advises that these presentation slides and any related materials and cross referenced information, contain forward looking statements which may be subject to significant uncertainties outside of Coca-Cola Amatil's control.

No representation is made as to the accuracy or reliability of forward looking statements or the assumptions on which they are based.

Actual future events may vary from these forward looking statements and you are cautioned not to place reliance on any forward looking statement.

AGENDA

Result Overview	Alison Watkins
Shareholder Value Proposition	Alison Watkins
Additional Developments	Alison Watkins
Leadership Updates	Alison Watkins
Business Performance	Martyn Roberts
Financials	Martyn Roberts
Strategy & Progress Updates	Alison Watkins
Outlook	Alison Watkins
Questions & Answers	

GROUP PERFORMANCE

Alison Watkins Group Managing Director

2018 HALF YEAR RESULT OVERVIEW

Statutory earnings per share (EPS) up 17.8 per cent, while underlying[1] EPS declined 1.6 per cent

---

Statutory earnings before interest and tax (EBIT) of $257.2 million, up 6.6 per cent, and statutory net profit after tax (NPAT) of $158.1 million, up 12.8 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 our cost savings in 2018

Indonesia result impacted by soft market conditions; Papua New Guinea cycling the pre-election stimulus of 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

---

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

SHAREHOLDER VALUE PROPOSITION

We are focused on generating attractive sustainable returns for shareholders

Investment case

Predominantly a Coca-Cola franchisee with leading brands

Route-to-market with scale and reach

Large-scale, modern, low-cost infrastructure

Steady cash flow from core Australia and New Zealand franchises

Growth opportunities including Indonesia and Alcohol & Coffee providing upside

EBIT drivers

Revenue growth plans and continuous cost focus across the group

Targeting low single-digit EBIT growth	Core developed market franchises (Australia and New Zealand)
+	
Targeting double-digit EBIT growth	Developing markets (Indonesia, Papua New Guinea and Fiji)
+	
Targeting double-digit EBIT growth	Alcohol & Coffee and SPC

EPS drivers

Modest capex for developed markets

\+

Growth capex for Indonesia funded via TCCC equity injection

\+

Continuous working capital management

\+

Bolt-on acquisitions

Capital management initiatives

Targeting shareholder value creation

Mid single-digit EPS growth

Attractive dividends: above 80% payout ratio

Strong balance sheet

Strong return on capital employed

COCA-COLA AMATIL

TRACKING AGAINST OUR SHAREHOLDER VALUE PROPOSITION

Since 2014, we have made solid progress against many of our targets, with investment into Australian Beverages impacting our near-term EPS delivery

EBIT drivers

Revenue growth plans and continuous cost focus across the group

Targeting low single-digit EBIT growth
- Australia
- New Zealand

+

Targeting double-digit EBIT growth
- Indonesia
- Papua New Guinea
- Fiji

+

Targeting double-digit EBIT growth
- Alcohol & Coffee
- SPC

EPS drivers

Modest capex for developed markets

+

Growth capex for Indonesia funded via TCCC equity injection

+

Continuous working capital management

+

Bolt-on acquisitions

Capital management initiatives

Targeting shareholder value creation

Mid single-digit EPS growth

Attractive dividends: above 80% payout ratio

Strong balance sheet

Strong ROCE

ADDITIONAL DEVELOPMENTS

SPC & AMATIL-X UPDATES

SPC

- Announced the commencement of a strategic review of growth options for SPC
- Coincides with completion of a four-year, $100 million co-investment in conjunction with the Victorian Government
- Investment under this agreement was completed in June 2018 and included $22 million by the Victorian Government and $78 million by Coca-Cola Amatil
- 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

Amatil X

- First investment through Amatil X announced yesterday
- Minority investment in Doshii, a platform designed to assist RECA businesses managing multiple ordering, payment, loyalty and reservation applications

SUSTAINABILITY UPDATES

Wellbeing

- Along with Coca-Cola South Pacific we have reformulated 22 beverage brands to reduce sugar content
- We are committed to a 10% sugar reduction across the Australia-New Zealand portfolio of sales by 2020, and a 20% reduction in Australia by 2025
- We have increased the availability of smaller pack sizes, launched new no-sugar flavours including for Coca-Cola, and delivered clear nutrition labelling for all products

Packaging

- Our standard bottles and cans are 100% recyclable in Australia and New Zealand
- In 2018 we released our first small-bottle range made from 100% recycled PET (rPET)
- We aspire to increase the proportion of rPET across our NARTD portfolio to 50% by 2020 in Australia, subject to successful trials and business case approval

LEADERSHIP UPDATES

LEADERSHIP UPDATES

New highly credentialled and experienced leaders in place to drive the Accelerated Australian Growth Plan

Australian Beverages

- Peter West commenced as Managing Director of Australian Beverages in April, bringing 30 years' experience in Australian and international fast moving consumer goods industry
- Steve Paddis commenced as Australian Beverages CFO in February 2018, bringing specific knowledge and expertise from his previous role as the CFO of Coca-Cola Amatil New Zealand

Coca-Cola South Pacific

- The Coca-Cola Company has also made some important leadership changes in Coca-Cola South Pacific with high calibre and internationally experienced leaders appointed to critical roles of President and Marketing Director

CCA
COCA-COLA **AMATIL**

BUSINESS PERFORMANCE

Martyn Roberts Group Chief Financial Officer

SEGMENT RESULTS OVERVIEW

Underlying EBIT $ million	HY18	HY17	Change %	% of Group underlying EBIT
Australian Beverages	176.3	182.9	(3.6)	59%
New Zealand & Fiji	49.8	45.7	9.0	17%
Indonesia & Papua New Guinea	50.6	50.7	(0.2)	17%
Alcohol & Coffee	22.5	21.5	4.7	8%
Corporate, Food & Services	(1.7)	11.9	(114.3)	(1)%
Total	297.5	312.7	(4.9)	

AUSTRALIAN BEVERAGES

Revenue growth and improving volume trajectory

$ million	HY18	HY17	Change %
Trading revenue	**1,221.9**	1,210.9	0.9
Revenue per unit case ($)	$8.24	$8.15	1.1
Volume (million unit cases)	148.2	148.6	(0.3)
Underlying EBIT	**176.3**	182.9	(3.6)
EBIT margin	14.4%	15.1%	(0.7)pts
Return on capital employed	35.9%	37.3%	(1.4)pts

COMMENTARY

- Some encouraging signs from improving volume trajectory as many of our initiatives start to gain traction
- Earnings performance consistent with our plans to accelerate the reinvestment of cost savings in 2018 and some negative impact on volume from the New South Wales container deposit scheme
- Trading revenue per unit case was 1.1% higher comprising 4.1% increase from container deposit scheme charges, 2.2% investment in realised price and 0.8% decrease from product / channel mix
- EBIT benefitted from $10.0 million credit due to lower actual redemption in the NSW container deposit scheme compared to forecast. This benefit will be returned to consumers through price investment in NSW in 2H18.

AUSTRALIAN BEVERAGES

Improving volume trajectory reflecting initiatives from the Accelerated Australian Growth Plan

Volume Composition By Category (million unit cases)

	HY18	HY17	HY Change %
Sparkling			
Beverages	97.3	97.8	(0.5)
Frozen	11.3	11.9	(5.0)
Still	39.6	38.9	1.8
Total	**148.2**	**148.6**	**(0.3)**

CATEGORY

Stabilise the core

- Volume growth in diets & lights cola and increase in value share driven by the transition to Coca-Cola No Sugar
- Volume growth in water driven by innovation and targeted price investment
- Volume growth in sports driven by FIFA and rugby league sponsorships and price investment

Double down in growth areas

- Positive signs in growth categories with strong volume growth in energy, adult sparkling, value added dairy

CHANNEL

Precision availability and activation

- Volume growth in the grocery and petrol & convenience channels
- Strong focus in the RECA channel starting to gain traction
- Significant customer renewals in the quick service restaurant channel
- Continued pressure in immediate consumption, national and state operational accounts channels

AUSTRALIAN BEVERAGES

NSW container deposit scheme has had some negative impact on volumes

NEW SOUTH WALES

OVERVIEW

- NSW volumes decreased 1.6 per cent, whereas National ex-NSW volumes increased 0.3 per cent
- Significant month to month volatility implies continued uncertainty on impact for second half in NSW and other states

ACTIONS

- We reduced our CDS charge in NSW from 13.59 cents (excluding GST) to 10.91 cents (excluding GST) from 1 August reflecting the lower than anticipated redemption rates

ACCOUNTING

- We had been accruing any unredeemed deposits and fees on our balance sheet
- At the half year end, we were required to credit $10.0 million of this accrual to the income statement to reduce the accrual to an amount we believe is still payable under the scheme
- This $10 million credit is being returned to consumers through additional price investments in NSW in 2H18

OTHER STATES

AUSTRALIAN CAPITAL TERRITORY

- Commenced 30 June 2018
- Similar to NSW scheme with charge from 1 August set at 10.91 cents (excluding GST)

QUEENSLAND

- Targeting implementation 1 November 2018
- Actively participating in administration of the scheme

WESTERN AUSTRALIA

- Targeting implementation in early 2020

VICTORIA & TASMANIA

- No official announcement of container deposit schemes

NEW ZEALAND & FIJI

An excellent performance in New Zealand and strong performance in Fiji

$ million	HY18	HY17	Change %	Change – Constant Currency[1] %
Trading revenue	**280.2**	261.8	7.0	8.3
Revenue per unit case ($)	$7.87	$7.93	(0.8)	0.4
Volume (million unit cases)	35.6	33.0	7.9	7.9
Underlying EBIT	**49.8**	45.7	9.0	10.1
EBIT margin	17.8%	17.5%	0.3pts	0.2pts
Return on capital employed	29.1%	27.1%	2.0pts	

1. The constant currency basis is determined applying 1H17 foreign exchange rates to 1H18 local currency results.

NEW ZEALAND

- New Zealand achieved strong revenue, volume and earnings growth, continuing the momentum from 2H17
- Strong performances across sparkling and still beverages
- Revenue growth delivered in all major channels

FIJI

- Revenue, volume and EBIT growth despite a number of unfavourable weather incidents during the period

COCA-COLA AMATIL

INDONESIA & PAPUA NEW GUINEA

Low single-digit segment earnings growth in constant currency, reflecting soft market conditions in Indonesia and some operational issues in Papua New Guinea

$ million	HY18	HY17	Change %	Change – Constant Currency[1] %
Trading revenue	**487.8**	530.3	(8.0)	(3.2)
Revenue per unit case ($)	$4.23	$4.48	(5.6)	(0.4)
Volume (million unit cases)	115.2	118.5	(2.8)	(2.8)
Underlying EBIT	**50.6**	50.7	(0.2)	3.6
EBIT margin	10.4%	9.6%	0.8pts	0.6pts
Return on capital employed	11.3%	10.8%	0.5pts	

1. The constant currency basis is determined applying 1H17 foreign exchange rates to 1H18 local currency results.

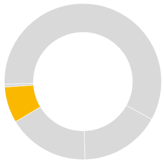
INDONESIA

- Continued progress on our business transformation, however not sufficient to offset soft market conditions, resulting in constrained revenue and volume performance
- NARTD market declined (excluding water)
- Significantly improved value share in sparkling beverages, albeit the category declined
- Small declines in value share in tea and water
- Juice share declined, as did the category
- Continuing to invest in manufacturing equipment and capabilities, cold drink equipment and the rollout of our route-to-market model
- Continued delivery of cost efficiencies

PAPUA NEW GUINEA

- Revenue growth in constant currency delivered however on lower volumes also impacted by logistics and manufacturing challenges
- Continued brand support and activation
- EBIT growth delivered despite cycling favourable economic conditions in 1H17 from the national election

COCA-COLA AMATIL



ALCOHOL & COFFEE

Delivered double-digit EBIT growth in our core business funding investments in growth initiatives

$ million	HY18	HY17	Change %	Change – constant currency[1] %
Trading revenue	**270.0**	248.4	8.7	9.0
Underlying EBIT	**22.5**	21.5	4.7	4.7
EBIT margin	8.3%	8.7%	(0.4)pts	(0.4)pts

1. The constant currency basis is determined applying 1H17 foreign exchange rates to 1H18 local currency results.

ALCOHOL

- Alcohol achieved revenue and volume growth and double-digit EBIT growth
- Another strong performance in the spirits & premix segment, particularly with Canadian Club which again grew well above the market growth due to effective marketing and strong execution
- Investment back into the business to build our brand and capabilities and support our long-term growth aspirations

COFFEE

- Revenue and volume growth, with further investment in the business to develop the international coffee opportunity

GROWTH INITIATIVES

- Expansion of our coffee business
- Expansion of international sales including US distribution agreement for Vailima

CORPORATE, FOOD & SERVICES

A decline in earnings driven by a modest loss for SPC, lower earnings in the property division and investment in Amatil X and group capabilities

$ million	HY18	HY17	Change %
Trading revenue[1]	**132.8**	138.3	(4.0)
Underlying EBIT	**(1.7)**	11.9	(114.3)

1. Majority derived from SPC.

FOOD

- A modest loss for SPC
- Revenue decline reflecting proactive exit of a number of private label lines as well as continued competitive pressure
- Slightly improved share in tomatoes, albeit the category declined in the half
- Growth and improved share in beans & spaghetti, albeit a declining category
- Continued pressure in fruit and spreads

SERVICES

- Smaller contribution from the services division due to lower services requirement to Australian Beverages
- Lower earnings in the property division due to lower rental fees received from Australian Beverages

CORPORATE

- Investment in Amatil X to drive future customer, supply chain and sustainability initiatives, and in group capabilities

FINANCIALS

Martyn Roberts Group Chief Financial Officer

COCA-COLA **AMATIL**

INCOME STATEMENT

Statutory NPAT up 12.8 per cent, 5.9 per cent down on an underlying basis

$ million	HY18	HY17	Change %
Underlying EBIT	297.5	312.7	(4.9)
Net finance costs (before non-trading items)	(36.5)	(32.2)	13.4
Taxation expense (before non-trading items)	(74.8)	(81.9)	(8.7)
Non-controlling interests	(7.4)	(8.5)	(12.9)
NPAT before non-trading items attributable to Coca-Cola Amatil shareholders	**178.8**	190.1	(5.9)
Non-trading items after income tax	(20.7)	(50.0)	(58.6)
NPAT attributable to Coca-Cola Amatil shareholders	**158.1**	140.1	12.8

COMMENTARY

- Underlying EBIT decline of 4.9% reflecting:
  - Accelerated reinvestment in Australian Beverages as planned
  - Soft market conditions in Indonesia
  - Lower contribution from our Corporate, Food & Services segment
- Increase in net **finance costs** reflecting higher net debt following share buyback in 2017
- **Effective tax rate** of 28.7% reflecting a higher mix of earnings towards overseas businesses where tax rates are lower
- Lower **non-controlling interests** due to Indonesia's result
- **Non-trading items** after income tax of $20.7 million resulting from expenses due to cost optimisation programs, and non-recurring currency swap income

CAPITAL EMPLOYED

Strong return on capital employed at 20.3 per cent

$ million	HY18	HY17	Variance $M
Working capital	536.9	459.0	77.9
Property, plant and equipment (PPE)	1,879.8	1,821.4	58.4
Intangible assets	1,214.5	1,206.9	7.6
Current and deferred tax liabilities	(274.8)	(288.6)	13.8
Net non-debt derivatives (liabilities) / assets	(8.0)	(24.6)	16.6
Other net assets / (liabilities)	3.3	9.7	(6.4)
Capital employed	3,351.7	3,183.8	167.9
Return on capital employed (ROCE)	**20.3%**	20.1%	**0.2 points**

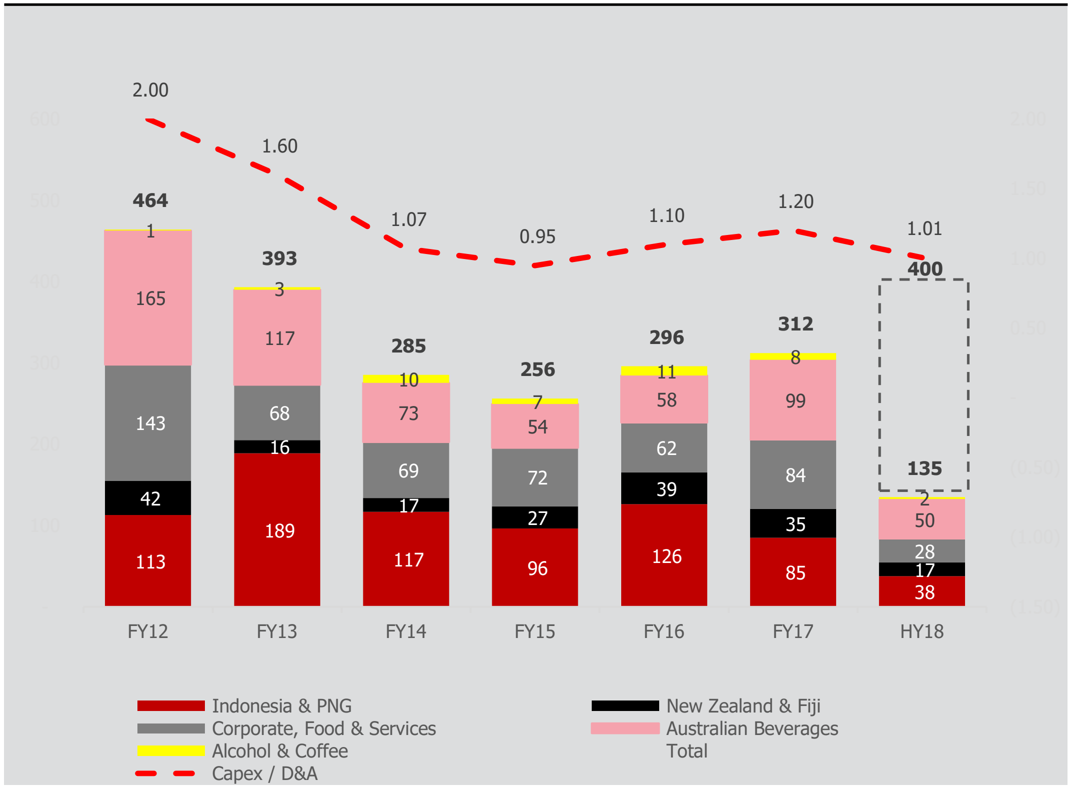
COMMENTARY

- Capital employed increased by $167.9 million resulting from:
  - **Working capital** increasing driven by Indonesia extending credit to drive volume during Ramadan which had not been collected at the end of the period; in Australia due to the lower sales and stock build ahead of the commissioning phase of new lines in Richlands; and higher inventory in SPC
  - **PPE** increasing which reflects investment in Richlands
  - **Intangible assets** increasing slightly due to the 2H17 acquisition of Feral Brewing
  - **Current and deferred tax liabilities** decreasing due to a higher instalment rate and a small decrease in taxable income in Australia
  - **Net non-debt derivative liabilities** decreasing primarily driven by maturity of out of the money foreign currency hedge positions
  - **Other assets** decreasing due to 2H17 sale of the Richlands property, previously included in non-current assets held for sale

CAPITAL EXPENDITURE

Capital expenditure of $134.8 million, higher than 1H17, reflecting investment at Richlands facility in Queensland and expansion in New Zealand

Capex ($ million) and Capex / Depreciation and amortisation (x times)



COMMENTARY

- **Australian Beverages:** construction of a new glass bottling line and additional capacity for dairy and juice at our Richlands facility in Queensland
- **New Zealand & Fiji:** progress on blow-fill line in Putaruru to expand capacity and a warehouse automation project in Auckland
- **Indonesia & PNG:** new PET line in Cibitung, and continued investment in cold drink equipment; with focus in 2H18 on new ASSP line in Surabaya, solar panel project for Cibitung and completion of PET line in Cibitung; new can line commissioned in PNG
- **Corporate, Food and Services:** including Richlands warehouse and cold drink equipment for Australian Beverages and SPC projects
- Capital expenditure for 2018 will be weighted to the second half reflecting the timing of our investment at Richlands and timing of projects in Indonesia; expecting ~$400 million of total capex for the group in FY18

COCA-COLA AMATIL

FREE CASH FLOW

Free cash flow impacted by investments at Richlands and a higher level of working capital at period end

$ million	HY18	HY17	Change ($M)
Underlying EBIT	**297.5**	**312.7**	**(15.2)**
Depreciation and amortisation	130.3	131.1	(0.8)
Impairment charges	0.8	1.3	(0.5)
Change in adjusted working capital[1]	(70.1)	(18.1)	(52.0)
Net interest paid and finance costs	(38.3)	(32.9)	(5.4)
Taxation paid	(95.2)	(97.5)	2.3
Movements in other items[2]	(2.0)	(45.1)	43.1
Underlying operating cash flows (before non-trading items)	**223.0**	**251.5**	**(28.5)**
Capital expenditure	(134.8)	(91.0)	(43.8)
Proceeds from sale of non-current assets	4.1	1.6	2.5
Payments for additions of other intangible assets	(0.4)	-	(0.4)
Underlying free cash flow (before non-trading items)	**91.9**	**162.1**	**(70.2)**
Add: Cash flow from non-trading items	(28.1)	(22.4)	(5.7)
Free cash flow	**63.8**	**139.7**	**(75.9)**
Cash realisation[3]	**70.5%**	**76.3%**	**(5.8) points**

1. Working capital is adjusted to exclude the impact of non-cash flow and non-operating items such as foreign exchange translation, impacts of acquisitions of businesses and payables relating to additions of property, plant and equipment.
2. Mainly comprising of movements in prepayments and provisions.
3. Underlying basis: Net operating cash flows divided by NPAT (adding back depreciation and amortisation expenses before tax).

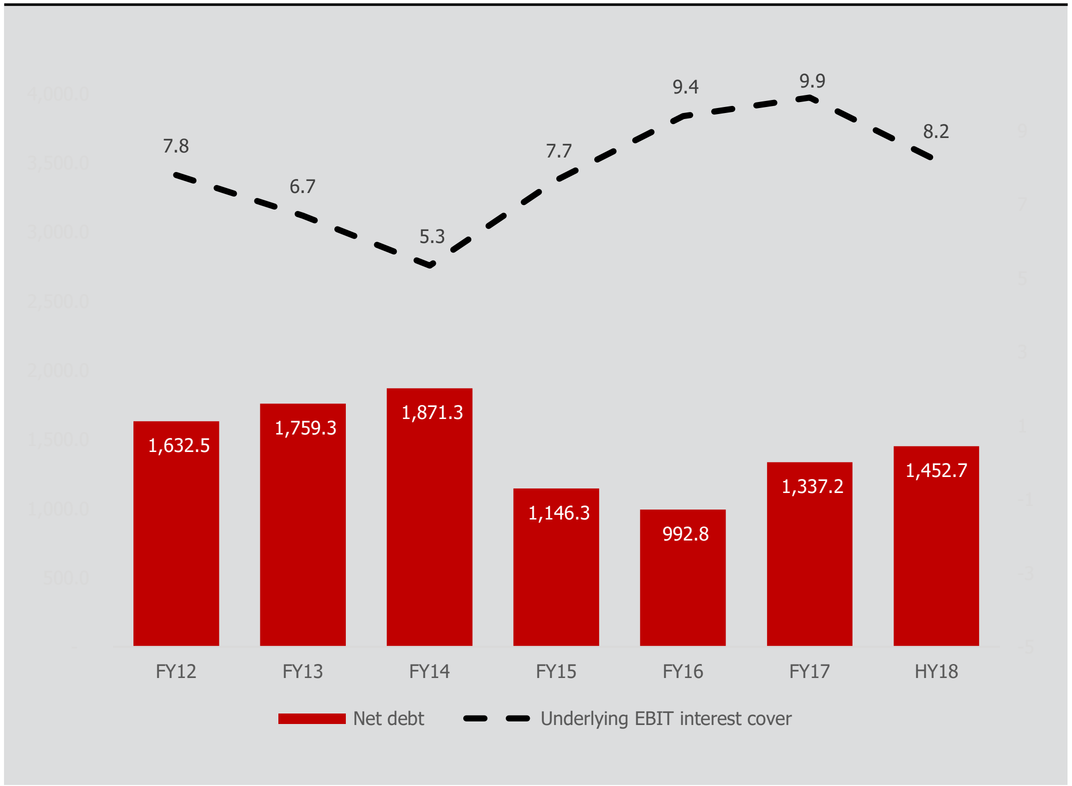
COMMENTARY

- Free cash flow was $63.8 million, a decrease of $75.9 million from 1H17
- Working capital was higher primarily due to Indonesia extending credit to drive volume during Ramadan which had not been collected at the end of the period
- Working capital was also higher in Australia due to the lower sales and stock build ahead of the commissioning phase of new lines in Richlands and higher inventory in SPC
- Movements in other items reflected movements in prepayments and provisions
- Increased capital expenditure primarily on Richlands warehouse automation and production lines investments
- Cash realisation was lower than the comparative period due to the higher working capital in the period. This is usually lower in the first half due to the seasonality of our business.

NET DEBT AND INTEREST COVER

Strong balance sheet with net debt at $1.5 billion and underlying EBIT interest cover of 8.2 times

Net debt ($ million) and Underlying EBIT interest cover (x times)



COMMENTARY

- Net debt increased by $185.9 million to $1,452.7 million from 1H17 primarily due to share buyback program in 2017
- Total available debt facilities at period end were $2.65 billion with average maturity of 5.4 years
- Substantial proportion of cash assets held for specific purposes or constraints (Indonesia & Papua New Guinea)
- Underlying EBIT interest cover has decreased to 8.2 times

STRATEGY & PROGRESS UPDATES

Alison Watkins Group Managing Director

COCA-COLA AMATIL

AUSTRALIAN BEVERAGES

OUR ACCELERATED AUSTRALIAN GROWTH PLAN

Our joint plan focusses on stabilising the core, targeting growth areas and delivering improved execution in existing and new channels

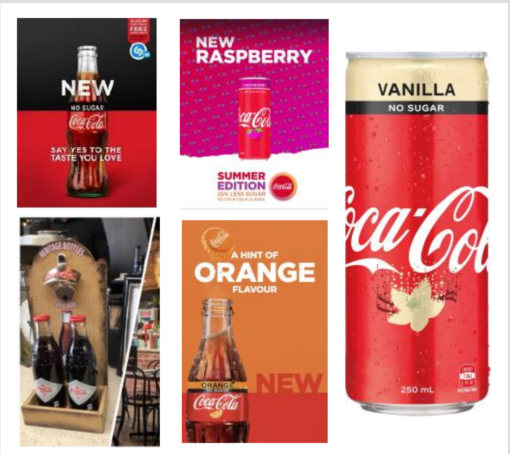
STRATEGY	LEAD		EXECUTE		PARTNER
AMBITION	• Maintain #1 NARTD position, winning NARTD market value growth • A broad, innovative consumer-centric portfolio and best-in-market execution • Make the "Total Beverages Company" strategy a market reality				
ACTIONS	A. STABILISE THE CORE	B. DOUBLE DOWN IN GROWTH AREAS	C. CLOSE THE GAP	C. CREATE NEW GAPS	D. PRECISION AVAILABILITY AND ACTIVATION
	Drive sparkling acceptance and hold ground in critical categories	Accelerated share gain in high value growth categories	Fast track entry into other categories	Lead the emergence of new categories	Get the right portfolio in every outlet using a range of route-to-market models
LEAD BRANDS & INITIATIVES	Coca-Cola, Powerade ION4, Fanta, Mount Franklin, fuze tea	Monster, Barista Bros, Cascade	• Enter established categories where we are not currently participating	• Create new gaps in emerging categories or new categories	• Win in RECA and IC • Digital platforms • Segmented execution

PROGRESS UPDATES
STABILISE THE CORE

We are making progress in Cola, Water and Sports categories with more innovation and activities planned for 2H18

COLA

- Continued transition to Coca-Cola No Sugar
- Increased frequency of rotational flavours: Coca-Cola Raspberry, Coca-Cola Orange No Sugar and Coca-Cola Vanilla No Sugar in 2H18
- Heritage packs in RECA



WATER

- Pump+ and Mount Franklin Lightly Sparkling in cans
- Targeted price investment to drive competitiveness
- Additional enhanced water product and packaging launch planned for 2H18

SPORTS

- Early signs of improvement delivering volume and revenue growth in the half
- Targeted advertising through the FIFA world cup and rugby league state of origin series
- On-pack promotions and community events

PROGRESS UPDATES
STABILISE THE CORE

We have more to do in Flavours, Tea and Juice

FLAVOURS

- Price promotions and new pack sizes to continue in 2H18

TEA

- Challenge in tea despite successful execution of relaunched Fuze Tea range

JUICE

- Challenge in juice, despite successful initial execution of Keri Juice Blenders launch

PROGRESS UPDATES
DOUBLE DOWN IN GROWTH AREAS

We are making good progress in growth areas against our plans

DAIRY

- Strong volume and revenue growth delivered in 1H18
- Launch of Barista Bros Café Creations
- Brand supported with advertising campaign

ENERGY

- Strong volume and revenue growth delivered in 1H18
- Launch of Mother Passion, Monster Lewis Hamilton and Mango Loco
- Additional product and packaging launches planned for 2H18

ADULT

- Cascade packaging being rolled out in 2H18 targeting the RECA channel

COCA-COLA AMATIL

PROGRESS UPDATES
PRECISION AVAILABILITY AND ACTIVATION

We are making good progress in grocery, petrol and convenience and RECA and proud of a number of recent customer wins and renewals

GROCERY, P&C AND RECA

GROCERY AND PETROL & CONVENIENCE

- Good growth in grocery and petrol & convenience in 1H18 reflecting progress in stabilising the core and doubling down in growth areas

RECA

- Improvement from last period with positive momentum building
- New customers and positive volume

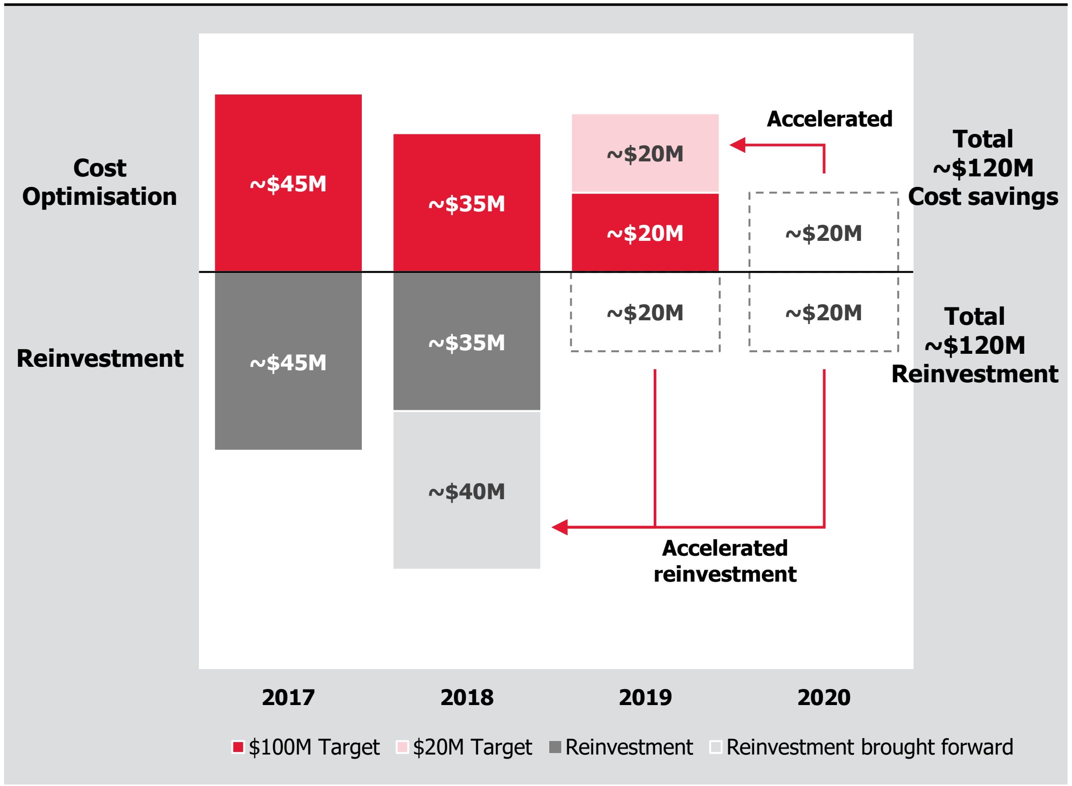
CUSTOMER WINS & RENEWALS

HUNGRY JACK'S
red rooster
chicken treat
CHOCOLATERIA SAN CHURRO
Le Wrap
Hilton HOTELS & RESORTS
sushi sushi
winc.
HYATT
IKEA
tag tertiaryaccessgroup
SEALINK
oporto

AUSTRALIAN BEVERAGES
ACCELERATING OUR REINVESTMENT

We have brought forward ~$40 million of reinvestment from the expected cost savings in 2019 to invest against the initiatives in our Accelerated Australian Growth Plan this year

Indicative profile of cost optimisation and accelerated reinvestment



COMMENTARY

- We had previously aimed to reinvest the cost savings in the year it was expected to be delivered
- Decision to bring forward ~$40 million of reinvestment from the expected cost savings in 2019 and 2020
- The additional ~$40 million of investment in 2018 is being allocated towards initiatives covering increases in marketing, execution, cold drink equipment, digital technology and price
- We invested approximately half of the additional ~$40 million in the first half of 2018
- The additional investment in 2018 is not expected to be offset with cost savings in 2018
- Our plan is to restore Australian Beverages to revenue and earnings growth but will have a negative impact on earnings in 2018

COCA-COLA AMATIL

OUTLOOK

Alison Watkins Group Managing Director

OUTLOOK

OUTLOOK

- New Zealand & Fiji and Alcohol & Coffee are expected to continue to deliver growth in line with our Shareholder Value Proposition
- Group near-term earnings will be negatively impacted by:
  - Accelerated reinvestment of ~$40M of cost savings in Australia in 2018 in marketing, execution, cold drink equipment, digital technology to drive growth initiatives and in price to drive competitiveness;
  - The uncertain impact of container deposit schemes in Australia; and
  - Soft market conditions in Indonesia
- We are committed to our Shareholder Value Proposition targeting a return to delivery of mid-single digit earnings per share growth in the medium term
- This will depend on the success of revenue growth initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets

NON-TRADING ITEMS

- We are expecting one-off costs in 2018 of approximately $50M, primarily from our cost optimisation programs
- We are pursuing additional opportunities within our Property Division which we anticipate may result in additional one-off gains in 2018

CCA COCA-COLA AMATIL

OUTLOOK

CAPITAL EXPENDITURE

- 2018 Group capex expected to be around $400M
- This reflects initiatives to drive growth in Australian Beverages and continued investment in Indonesia

DIVIDENDS

- Continue to target medium term dividend payout ratio of over 80 per cent
- It is anticipated that franking will be at a lower level in the future due to the increasing proportion of earnings from outside Australia

BALANCE SHEET & RETURN ON CAPITAL EMPLOYED

- Balance Sheet to remain conservative with flexibility to fund future growth opportunities
- Expect to maintain strong return on capital employed
- We will also continue to explore opportunities to extract value from our property portfolio

CCA
COCA-COLA **AMATIL**

QUESTIONS & ANSWERS

APPENDIX

ccamatil.

OUR GROUP STRATEGY HAS THREE DISTINCT ELEMENTS

ccamatil.com

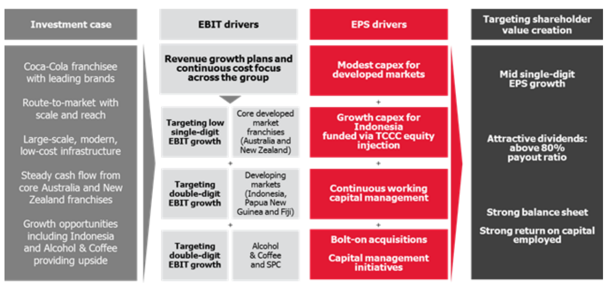
PERFORM

Primary focus

LEAD

EXECUTE

PERFORM



GROW

Greater focus

GROWTH WITHIN

GROWTH BETWEEN

GROWTH BEYOND

STRONG ORGANISATION

Ongoing focus

FIT FOR PURPOSE

LEADERSHIP

REPUTATION AND TRUST

AUSTRALIAN BEVERAGES
COST OPTIMISATION

We have been successful in identifying and delivering on cost optimisation initiatives and are accelerating the closure of Thebarton to the end of 2018

1ST $100M TARGET

- Supply chain optimisation
- Procurement optimisation
- Support services optimisation

Delivered ahead of schedule

2ND TARGET OF AT LEAST $100M

- “Supply chain of the Future”
- Merchandising and salesforce restructure
- Procurement optimisation
- Support services optimisation

On track

$20M TARGET

- Closure of South Australian manufacturing facilities
- Close brought forward to occur by the end of 2018

Accelerated

INDICATIVE TIMING	2014	2015	2016	2017	2018	2019	2020
1st $100M	Announced Oct14	Delivered ahead of schedule					
2nd $100M			Announced Oct16	At least a further $100 million cost optimisation			
~$20M				Announced Feb17	Accelerated		

AUSTRALIAN BEVERAGES
ACCELERATING OUR REINVESTMENT

Investment is required to deliver the Accelerated Australian Growth Plan which will be funded through accelerated reinvestment from our cost optimisation program

PRICE

- Additional targeted investment in price to drive competitiveness

COCA - COLA AMATIL CAFE REWARDS

MARKETING

- Additional marketing expenditure across all categories and channels
- Also supported by increase in Coca-Cola South Pacific's marketing expenditure

EXECUTION

- Additional resourcing to target new business
- RECA new business

COLD DRINK EQUIPMENT

- Additional cold drink equipment tailored for channel, category and product specific purposes

DIGITAL TECHNOLOGY

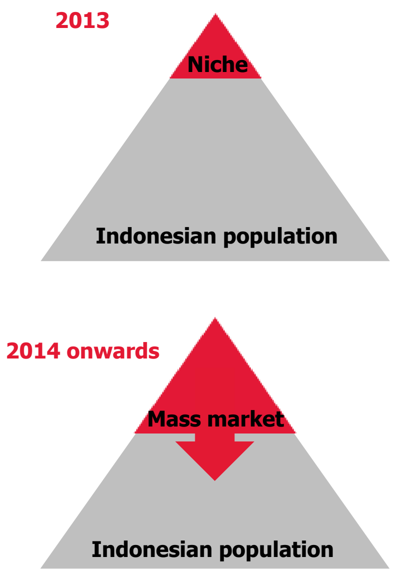
- Advanced analytics
- Next generation CRM and supply chain
- Streamlined finance
- Complete labour management

SAP Transportation Management
salesforce
Microsoft Azure
SAP S/4HANA
successfactors An SAP Company

INDONESIA
ACCELERATE TO TRANSFORM

Since 2014, we have made solid progress across all our strategic priorities and are accelerating to transform the business

Focus – how we've changed our strategy since 2014



+

Strategic priorities

1. Improve product availability
2. Increase affordability
3. Build brand strength
4. Build channel relevance

+

Supported by a number of enablers

- Investing in capacity to sustain growth
- Driving effective and efficient route to market execution
- Driving cost competitiveness
- A more agile and responsive system

Shareholder Value Proposition

Targeting double digit EBIT growth

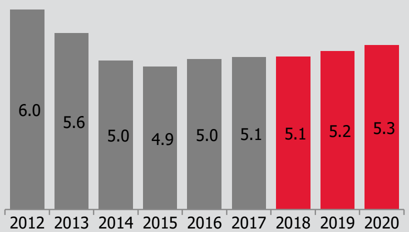
COCA-COLA AMATIL

INDONESIA
GROWTH READY

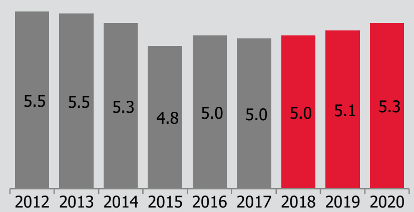
We are highly leveraged to significant profit improvements when the market conditions improve

MACROECONOMIC FACTORS CURRENTLY CHALLENGING

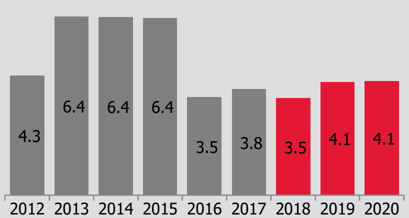
Gross domestic product 2012-2020



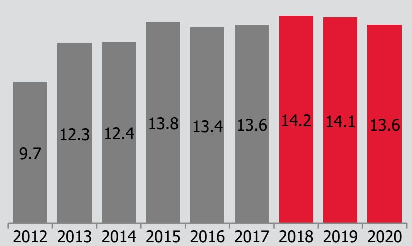
Personal consumption expenditures 2012-2020



Inflation 2012-2020

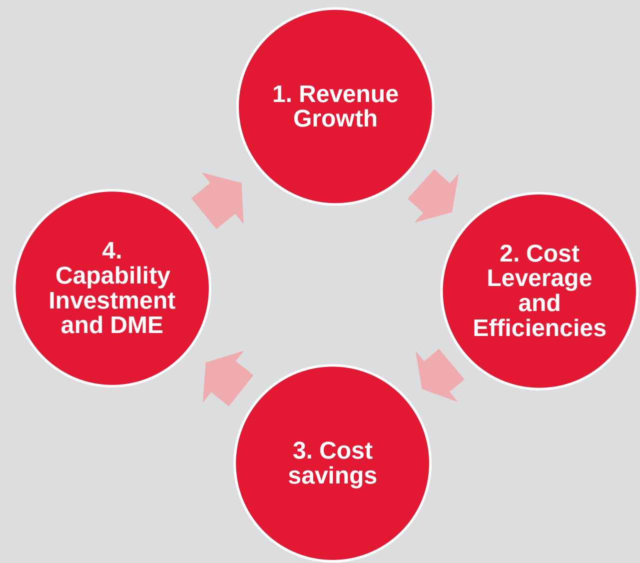


Currency: Indonesian Rupiah to US dollar 2012-2020



Source: IHC July 2018.

OPERATIONAL LEVERAGE OPPORTUNITY WHEN GROWTH RETURNS

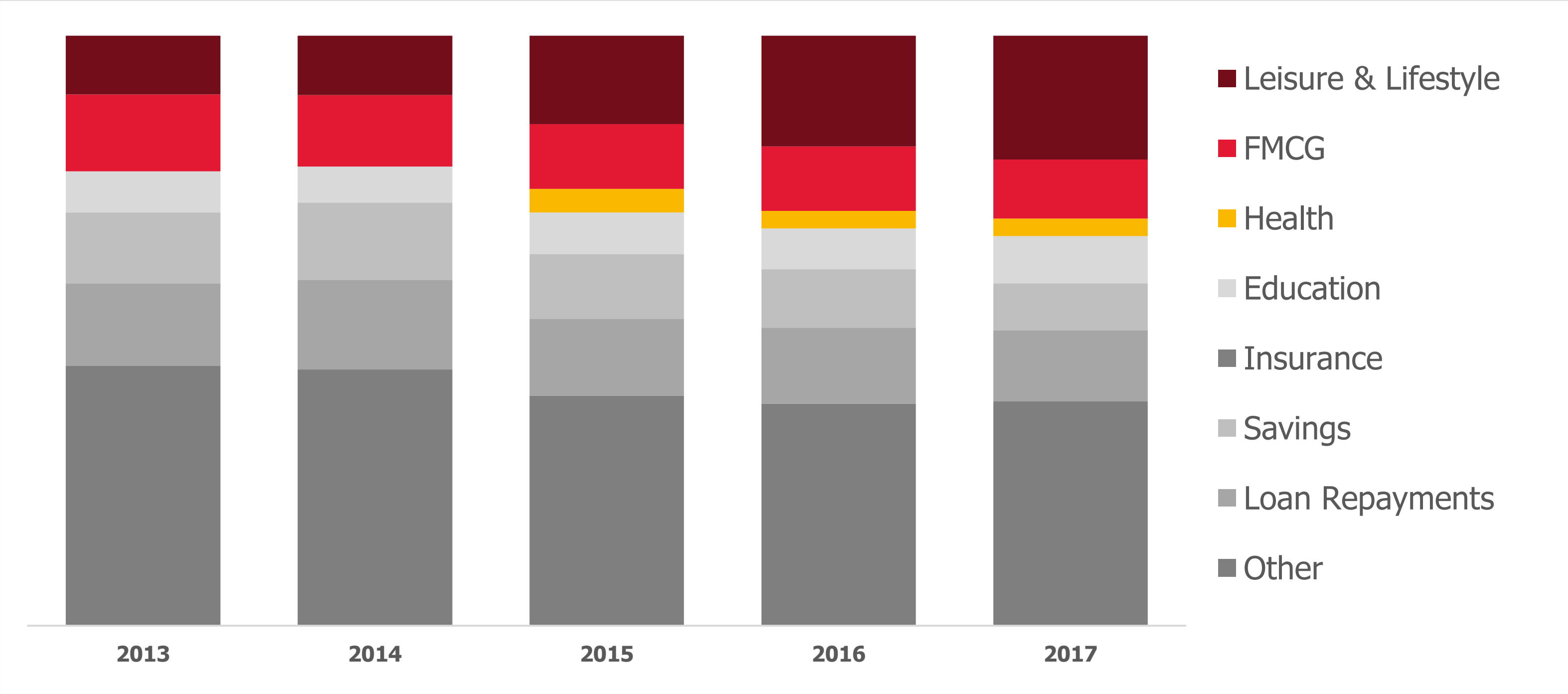


Economic Targets
ROCE above WACC by 2020
EBIT margin of 10% by 2023
Cost growth to be less than inflation

INDONESIA
CONSUMER SPENDING

Food and commercial beverage spending has slowed as consumers allocate more spending in Leisure & Lifestyle, including smartphones, tablets and travel

PROPORTION OF HOUSEHOLD SPENDING (2013-2017)



Source: Nielsen CPS Data (Homepanel, Indonesia Urban) and Internal Analysis.

ALCOHOL & COFFEE

Since 2014, we have developed a larger and stronger portfolio with our brand partners across alcohol and coffee categories

SPIRITS & RTDS

Jim Beam
Canadian Club
Maker's Mark
Laphroaig
The Yamazaki Single Malt Whisky
Hibiki Suntory Whisky
Auchentoshan Single Malt Scotch Whisky
Russian Standard Vodka
Midori The Original Melon Liqueur
Sipsmith London
Roku Gin The Japanese Craft Gin
Courvoisier Le Cognac de Napoléon
Galliano

PARADISE BEVERAGES

Fiji Bitter Beer
Fiji Gold Beer
Vonu Pure Lager Fiji Islands
Vailima
Ratu Premium-Aged Rum
Bati Premium Rum

BEER, CIDER & BITTERS

Coors
Miller
Australian Beer Co. Yenda
Samuel Adams Boston Lager
Blue Moon
Magners Irish Cider
Rekorderlig Cider
Australian Bitters Company
Feral Brewing Co.

COFFEE

Shareholder Value Proposition	Targeting double digit EBIT growth

ALCOHOL & COFFEE
OUR COMPETITIVE ADVANTAGES

With strong brand partners, a leading portfolio from brand partner and owned brands, and the ability to leverage a world-class route-to-market, we are well positioned to pursue growth opportunities

LEAD		EXECUTE	PARTNER
LEADING BRANDS	**OWNED BRANDS**	**ROUTE-TO-MARKET**	**STRONG PARTNERSHIPS**
Access to world-class brands	Freedom to innovate and build scale	Leverage route to market with scale/reach and large scale low cost infrastructure	Partnerships that deliver value creation
Jim Beam, Canadian Club, Maker's Mark, The Yamazaki, Hibiki, Laphroaig, Auchentoshan, Midori, Russian Standard Vodka, Galliano, Courvoisier, Sipsmith London, Coors, Miller, Staropramen, Blue Moon, Samuel Adams, Magners Irish Cider, Rekorderlig Cider	Yenda, Vonu Pure Lager Fiji Islands, Fiji Bitter Beer, Fiji Gold, Grinders, Vailima, Ratu Premium-Aged Rum, Bati Premium Rum, Feral Brewing Co.		Beam Suntory, Molson Coors, Chilli Marketing, Australian Beer Co, The Boston Beer Company Inc., C&C group plc

ALCOHOL & COFFEE

OUR STRATEGY

ccamatil.com

CORE ESTABLISHED BUSINESS GROWTH

- Strengthening category leadership position in spirits and RTDs
- Brand-led growth for Grinders
- Transformational growth in Paradise Beverages

ACCELERATION OF EMERGING GROWTH OPPORTUNITIES

- Acceleration to scale in beer and cider
- International growth opportunities

Coca-Cola

pump PURE WATER

JIM BEAM

Sprite

FANTA

POWERADE

Keri JUICE BLENDERS

MONSTER ENERGY

Coors

GRINDERS COFFEE ROASTERS

MOUNT FRANKLIN

BARISTA BROS

KIRKS SINCE 1865

CASCADE GENUINE REFRESHMENTS EST. 1886

Canadian Club

Mother ENERGY

spc

frestea

Glaceau smartwater

DEEP SPRING

Miller

COCA-COLA
AMATIL

ccamatil.com