

2019 BARCLAYS GLOBAL CONSUMER STAPLES CONFERENCE

3 September 2019

Martyn Roberts
Group Chief Financial Officer

Ana Metelo
Group Head of Investor Relations

ccamatil.com



DISCLAIMER

The material in this presentation is general background information about Coca-Cola Amatil and its activities current as at the date of the presentation. It is information given in summary form and does not purport to be complete.

Information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the financial situation, investment objectives or needs of any particular investor.

Before making any investment decision investors should consider these factors, and consult with their own legal, tax, business and/or financial advisors. Before

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.

COCA-COLA AMATIL

GROUP OVERVIEW

- Publicly listed Australian company (ASX: CCL; OTC: CCLAY)
- Market capitalisation approximately \$8.0B (30 August 2019)
- Top 10 Coca-Cola bottler globally
- FY18 Revenue \$4.8B
- FY18 EBIT from continuous operations (before non-trading items) \$634.5M
- FY18 NPAT from continuous operations (before non-trading items) \$388.3M
- Investment grade credit ratings (A3/ BBB+)

INDUSTRY AND MARKETS

- Non-alcoholic ready to drink beverages in Australia, New Zealand, Fiji, Samoa, Indonesia, Papua New Guinea
- Alcohol and coffee beverages in Australia, New Zealand and Fiji with additional export potential

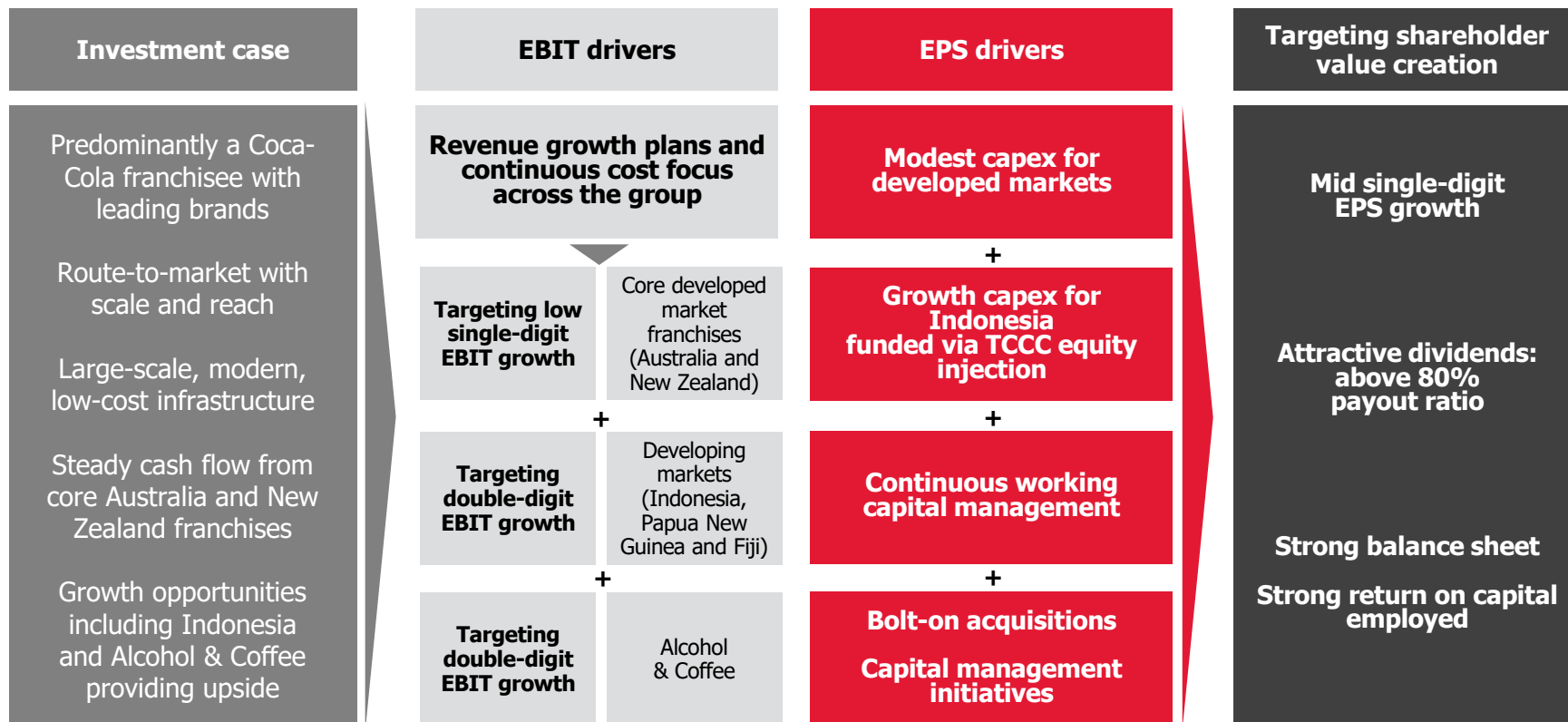
REPORTING SEGMENTS

- Australian Beverages
- New Zealand & Fiji
- Indonesia & Papua New Guinea
- Alcohol & Coffee
- Corporate & Services



OUR SHAREHOLDER VALUE PROPOSITION

We are focused on generating attractive sustainable returns for shareholders. FY19 is the second year of a two-year transition phase for the Group and we target the Group to return to delivery of mid-single-digit EPS growth from 2020.



2019 HALF YEAR RESULT

Reported on 22 August 2019



2019 HALF YEAR RESULT – GROUP HIGHLIGHTS

- Strong Group **revenue** growth of 5.2 per cent for the period reflecting the results of strategic initiatives across the Group.
- Statutory earnings before interest and tax (**EBIT**) of \$273.5 million, up 4.7 per cent, and statutory net profit after tax (**NPAT**) of \$168.0 million, up 6.3 per cent.
- Statutory earnings per share (**EPS**) increased by 6.4 per cent while ongoing¹ **EPS** declined by 4.0 per cent.
- Ongoing¹ **EBIT** of \$289.9 million and ongoing¹ **NPAT** of \$173.3 million represented declines of 3.8 per cent and 3.9 per cent respectively, in line with our expectations.
- Strong **cash flow** result with ongoing¹ free cashflow before lease accounting changes improving by \$86.2 million on the prior period plus \$40 million proceeds from the sale of SPC.
- **Total unfranked dividend** for the half of 25.0 cents per share comprising: **interim dividend** of 21.0 cents per share (1H18: 21.0 cents per share and 65 per cent franked per share), and special dividend of 4.0 cents per share, following the sale of SPC.



2019 HALF YEAR RESULT – OTHER HIGHLIGHTS

BUSINESS SEGMENTS OVERVIEW

AUSTRALIAN BEVERAGES

- Australian Beverages showed pleasing progress from the Accelerated Growth Plan. As expected, EBIT was impacted by container deposit schemes, additional investment in “Feet On The Street” and cycling HY18 EBIT benefit from \$10 million credit in relation to the NSW container deposit scheme.

NEW ZEALAND & FIJI

- Excellent all-round performance in New Zealand and solid profit growth from Fiji; continuing the strong momentum from previous years.

INDONESIA & PNG

- Strong sales growth in Indonesia from excellent execution and investments in marketing and in PNG from operational improvements.

ALCOHOL & COFFEE

- Achieved another period of double digit profit growth, now representing 9% of Group earnings.

CORPORATE & SERVICES

- Corporate & Services result was in line with the FY19 earnings guidance for the segment.

ADDITIONAL DEVELOPMENTS

SPC

- On 1 July 2019 we announced the successful completion of the sale of the SPC business to Shepparton Partners Collective Pty Ltd. The business was sold for a consideration of \$40 million payable at completion. Taking into account working capital adjustments to the sale price, carrying amount of net assets sold and costs of disposal, a profit on sale of \$14 million was recorded upon completion.

AMATIL X

- Launched into Indonesia, partnered with local accelerator in H1 (Digitaraya, powered by Google). Amatil X Academy in full swing in our Indonesian business, to identify and develop the best ideas in-house, and embed entrepreneurial capability in the business.

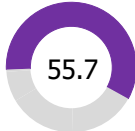
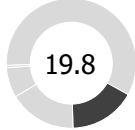
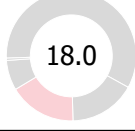
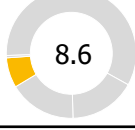

SUSTAINABILITY

- Announced that from 2020, 7 out of 10 of our plastic bottles in Australia will be made from 100 per cent recycled materials. Ceased distribution of plastic straws.

PROPERTY

Continued to progress the rationalisation of our property portfolio, including the sale of lots 2 and 3 of our former bottling facility in Thebarton, South Australia.

SEGMENT RESULTS OVERVIEW

Underlying EBIT \$ million	HY19	HY18	Change %	% of Group underlying EBIT
Australian Beverages	161.6	176.3	(8.3)	 55.7
New Zealand & Fiji	57.3	49.8	15.1	 19.8
Indonesia & Papua New Guinea	52.2	50.6	3.2	 18.0
Alcohol & Coffee	24.8	22.5	10.2	 8.6
Corporate & Services	(6.0)	2.2	N/M	 (2.1)
Total	289.9	301.4	(3.8)	

2019 OUTLOOK

2019 OUTLOOK

The end of 2019 will mark the completion of a two year transition period.

- **Australian Beverages:** is positioned for growth in 2020 with the completion of the additional \$10 million of investments in our Accelerated Australian Growth Plan and with container deposit schemes in NSW and QLD substantially embedded by the end of 2019.
- **Indonesia:** we are encouraged by the growth we have achieved from April 2018 and will continue to deliver our Accelerate to Transform strategy with additional marketing expenditure in 2019 as we navigate soft macroeconomic conditions, a weak Indonesian Rupiah and subdued market growth.
- **New Zealand & Fiji, Papua New Guinea and Alcohol & Coffee:** expected to deliver growth in line with our Shareholder Value Proposition.
- **Corporate & Services:** an EBIT loss of approximately \$12 million is expected in line with the outlook provided.

NON-TRADING ITEMS

- As part of our cost optimisation programs across the Group, we are expecting one-off costs in 2019 of up to \$30 million.
- We are pursuing opportunities to dispose of surplus properties which would result in one-off gains in 2019, partially offsetting the one-off costs.

TARGET FROM 2020 AND BEYOND

- We remain committed to our Shareholder Value Proposition targeting a return to delivery of mid-single digit earnings per share growth from 2020.
- This will depend on the success of revenue growth initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets.



2019: CAPEX, DIVIDENDS AND BALANCE SHEET

CAPITAL EXPENDITURE

- 2019 Group capex is expected to be approximately \$300 million.

DIVIDENDS

- Continue to target medium term dividend payout ratio of over 80 per cent.
- Amatil dividends are expected to return to being franked in 2021. At that stage, depending on the mix of earnings between Australia and other countries, we expect the level of franking to be above 50 per cent.

BALANCE SHEET

- Balance Sheet to remain conservative with flexibility to fund future growth opportunities.
- Expecting to maintain strong return on capital employed.
- We will seek to maximise value for shareholders by pursuing additional sales of surplus properties.



AUSTRALIAN BEVERAGES PROGRESS & STRATEGY UPDATES



OUR ACCELERATED AUSTRALIAN GROWTH PLAN

Our refined Accelerated Australian Growth Plan defines our priorities and focus for the medium term

STRATEGY	LEAD	EXECUTE	PARTNER		
AMBITION	<ul style="list-style-type: none"> 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 				
OBJECTIVES	REJUVENATE THE CORE	DOUBLE DOWN IN GROWTH AREAS	CLOSE THE GAP AND CREATE NEW GAPS		
CATEGORY	MUST WIN	STABILISE	DOUBLE DOWN	ENTER	
	Cola Water	Flavours, Tea, Juice, Sports, Adult	Value-added dairy Energy	Emerging beverages	
CHANNEL	MUST WIN	STABILISE	DOUBLE DOWN	ENTER	
	Grocery State IC	National On Premise Direct to Consumer Licensed	Convenience & Petroleum RECA	Online	
ENABLERS	Portfolio simplification and innovation	Revenue growth management	Product and packaging sustainability	Overhauled S&OP process	Cost optimisation and reinvestment

OUR ACCELERATED AUSTRALIAN GROWTH PLAN

MUST WIN

COLA & WATER

- Focus on key selling weeks with marketing and execution integration
- Addressing sugar and sustainability
- Driving incidence via pack & meals
- Drive higher \$ / litre mix
- Continue pack / product innovation



STABILISE

FLAVOURS, TEA, JUICE, SPORTS & ADULT

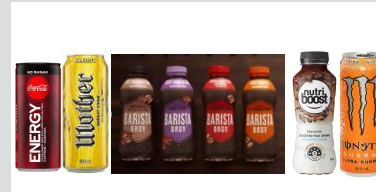
- Focused on stabilising performance through a range of initiatives including new pricing and promotions in flavours



DOUBLE DOWN

VALUE-ADDED DAIRY & ENERGY

- Focus on volume per outlet
- Additional innovation and expanded range



ENTER

KOMBUCHA & PRESSED JUICE

- Participating for future growth opportunities; small today but critical to tomorrow's portfolio



CATEGORY

MUST WIN

GROCERY AND IMMEDIATE CONSUMPTION

- Sharpening our focus in **grocery** – RSVP model builds on “the perfect store” example
- Precision availability and activation in the **state immediate consumption** channel is driven by a segmented execution, portfolio optimisation and increasing the face to face customer experience

STABILISE

NATIONAL ON PREMISE, DIRECT TO CONSUMER AND LICENSED

- Greater focus on alignment and understanding customers' priorities,
- includes focus on digital menu board activation in **national on premise**, drive towards cashless systems and additional coolers focussed on low and no kilojoule in **direct to consumer** and fountain price reset and presence in **licensed**

DOUBLE DOWN

PETROL & CONVENIENCE AND RECA

- **Petrol & convenience** - Channel segmentation closely aligned to high growth value added dairy and energy categories
- **RECA** – Permanent RECA presence solution, drive menu presence (toolkit), new RECA coolers and embed Café / Qantas Business Rewards

ENTER

ONLINE

- Extend our leadership as the #1 beverage supplier in digital B2B /BEC Building aggregator partnerships

CHANNEL

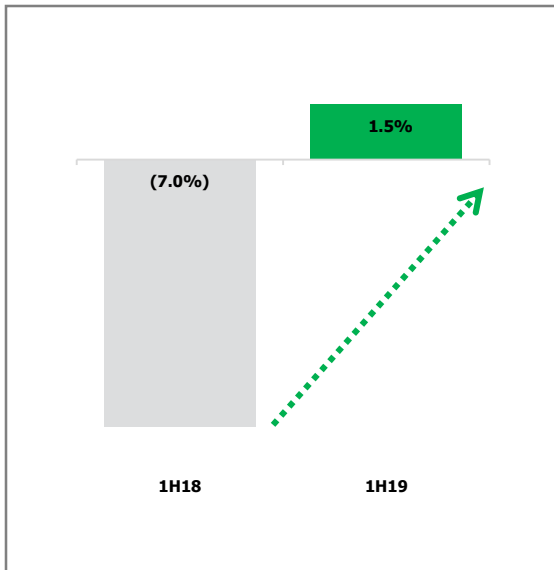


AUSTRALIAN BEVERAGES

Encouraging results in State Immediate Consumption as additional “Feet On the Street” are rolled out around the country

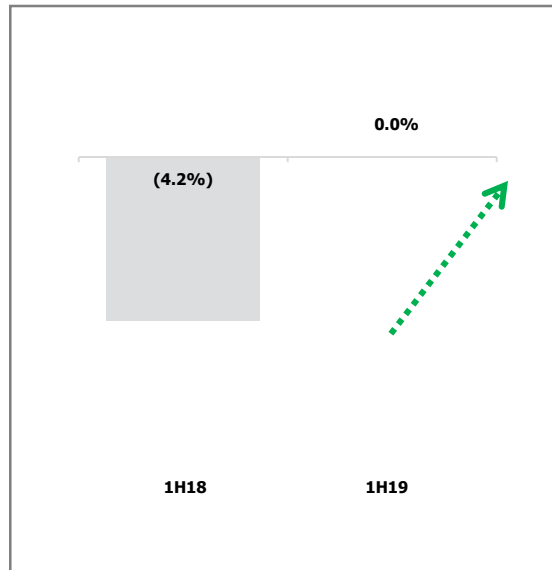
STATE IMMEDIATE CONSUMPTION – SYDNEY

Volume change (%)



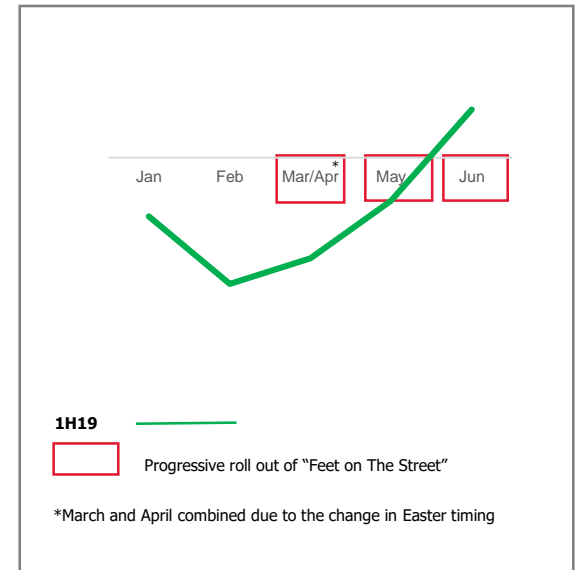
STATE IMMEDIATE CONSUMPTION – ADELAIDE

Volume change (%)



STATE IMMEDIATE CONSUMPTION – ALL STATES

Monthly yoy volume change (%)



OUR ACCELERATED AUSTRALIAN GROWTH PLAN

Consistent with our strategy, we are planning for revenue and volume momentum in 2H19 to position us for a return to growth from 2020

CATEGORY

Strong focus on winning in our core categories whilst accelerating growth in double down categories and growing emerging categories

- Launch of "Share a Coke" campaign in 2H19
- Stabilisation of Cola volumes as price realisation is embedded in grocery
- Coca Cola Energy & Nutriboost to continue to grow in 2H19
- Comparable Everyday Low Pricing year on year in Mount Franklin multi packs in grocery
- Commencement of the distribution of the Made brands Rokeby Farms and Impressed juice
- Expanded distribution of Mojo Kombucha
- Launch of Powerade Active



CHANNEL

Continue delivering momentum in state immediate consumption and rolling out initiatives in grocery

- Full half year benefit of the "Feet On the Street" initiative in State Immediate Consumption
- Improved retail execution by bringing store merchandising services in-house
- Focus on key selling weeks (eg Footy Finals, Christmas) in grocery



ENABLERS

Our enablers bring our plan to life

- Revenue management: price normalisation of Flavours 24 pack cans
- Implementation of the RGM 2.0 program: launch of a new 20x250ml mini cans multipack format in grocery in NSW
- Reduced EBIT impact from Richlands commissioning
- Improved execution across core processes
- All single serve carbonated PET bottles made from 100% recycled PET with supporting advertising



CONTAINER DEPOSIT SCHEME UPDATE

Australian Beverages' volumes have been impacted by the implementation of container deposit schemes in NSW, the ACT and QLD and will continue to be impacted, to a certain extent, by the introduction of schemes in WA in 2020 and TAS in 2022. There has been a larger impact on volumes in QLD than experienced in NSW in 1H18.

1H19 UPDATE

NEW SOUTH WALES

- Commenced 1 December 2017.
- From 5 August 2019 we increased our CDS charge from 10.91 cents (excluding GST) to 11.82 cents (excluding GST), due to rising cost base for the NSW container deposit scheme and as the scheme matures.

AUSTRALIAN CAPITAL TERRITORY

- Commenced 30 June 2018.
- From 5 August 2019 we increased our charge from 10.91 cents (excluding GST) per eligible container to 11.82 cents (excluding GST), due to rising cost base for the ACT container deposit scheme and as the scheme matures.

QUEENSLAND

- Commenced 1 November 2018 with charge set at 10.38 cents (excluding GST) per eligible container.
- From 4 November 2019 the charge per eligible container is planned to increase to 11.82 cents (excluding GST).
- Actively participating in administration of the scheme.
- Volumes decreased 3.8 per cent, whereas National ex-QLD volumes decreased 0.3 per cent in the half.

WESTERN AUSTRALIA

- Targeting implementation in June 2020.

TASMANIA

- Expected to be rolled out by 2022.

VICTORIA

- No announcements of any schemes to date.

NEW ZEALAND



WE HAVE A CLEAR VISION WHICH DRIVES PERFORMANCE AND ENGAGEMENT



INDONESIA



ACCELERATE TO TRANSFORM – FOCUS AREAS

We have five areas of focus in the near term

STRATEGY	LEAD					EXECUTE					PARTNER														
AMBITION	<ul style="list-style-type: none"> #1 in NARTD value share Consumer-centric approach Best-in-class market execution enabled by an optimised route-to-market 																								
ACTIONS	A. GROW SPARKLING					B. GAIN SHARE IN TEA AND VALUE-ADDED DAIRY					C. STABILISE JUICE					C. MAINTAIN WATER AND ISOTONIC					D. OPTIMISE DISTRIBUTION				
	Drive sparkling relevance and consumption by providing a strong reason to consume					Scale to #2 Tea share and establish as a sizeable value-added dairy player					Stabilise Minute Maid Pulpy and investigate long term options					Maintain position for future growth					Optimise RTM network with further refined Retail and Wholesaler roles				
BRANDS																									
INITIATIVES	<ul style="list-style-type: none"> Drive recruitment through 250mL ASSP pack Activate based on consumer and community occasions Product innovation 					<ul style="list-style-type: none"> Innovate in Tea Enter 'Original' Tea at scale with new brand Build Nutriboost brand credentials 					<ul style="list-style-type: none"> Enhance the sensorial and refreshment value proposition Investigate long term options 					<ul style="list-style-type: none"> Maintain existing brand building initiatives Explore longer term options e.g. functional benefit 					<ul style="list-style-type: none"> Segmented execution Differentiated service standards based on VPO Refine CVP through trialing programs Wholesaler partnerships to complement Retail 				

ALCOHOL & COFFEE



ALCOHOL & COFFEE OVERVIEW

We are a well established business with a clear strategy and are delivering significant growth

ESTABLISHED BUSINESS

Rank⁽¹⁾ Companies

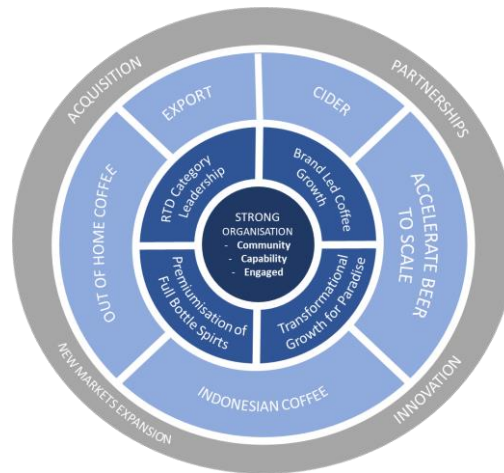
1	CUB
2	Lion
3	Diageo
4	Coca-Cola Amatil
5	Treasury Wine
6	Pernod Ricard
7	Asahi
8	Brown Forman
9	Accolade Wines
10	Coopers

1. Source: Total Australia Liquor Off-Premise Dollar Sales (ex P/Label), MAT to 04/06/2017

Note: Coca-Cola Amatil rank includes Beam Suntory share.

4th largest alcohol beverage company in Australia

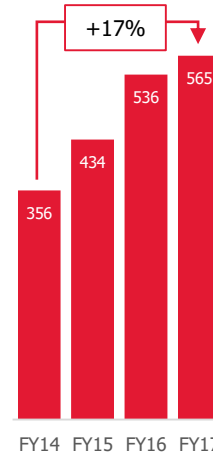
CLEAR STRATEGY



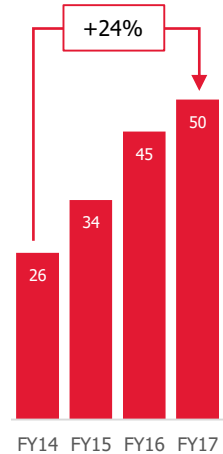
Core established growth and Accelerate emerging growth opportunities

DELIVERING GROWTH

Revenue CAGR



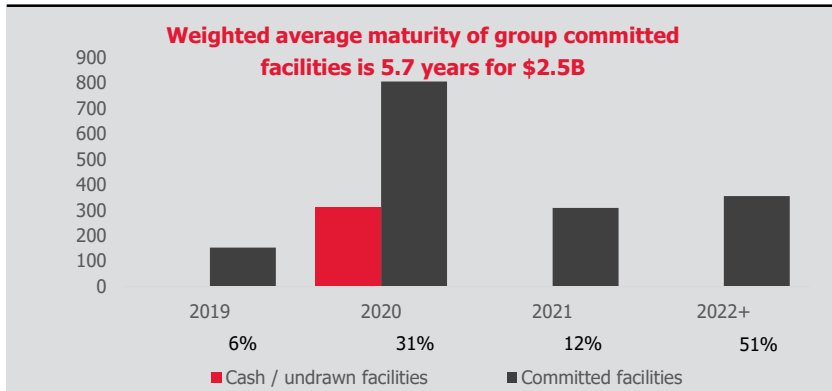
EBIT CAGR



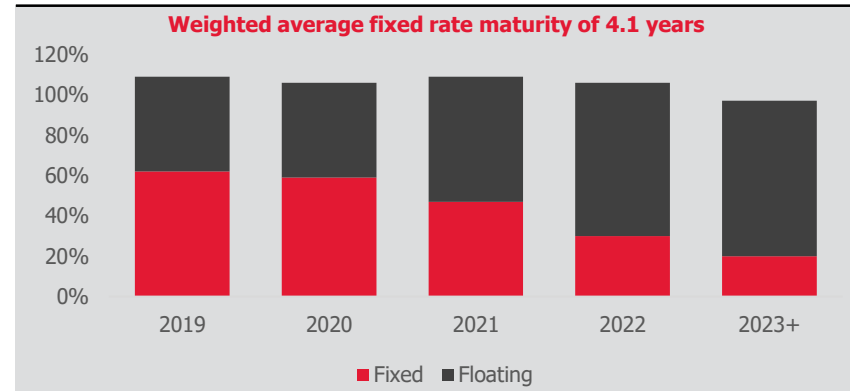
Delivered an additional \$24M EBIT FY14 to FY17

STRONG BALANCE SHEET

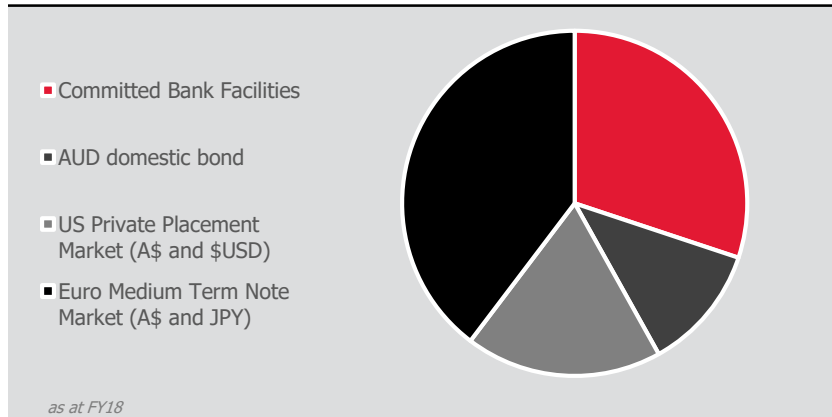
Balanced debt maturities profile



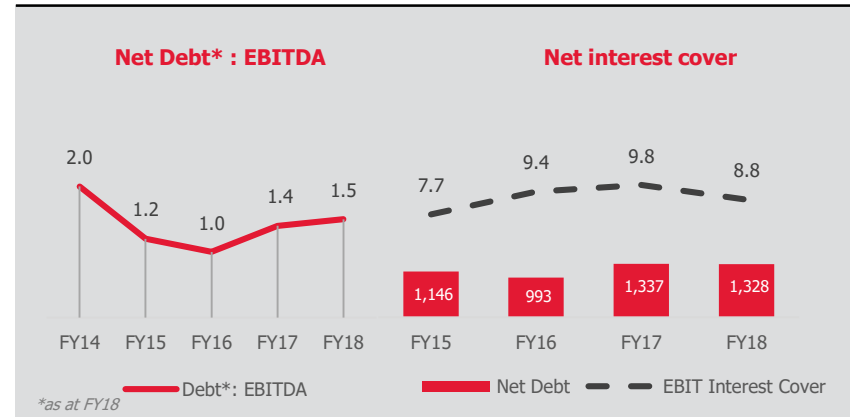
Balance between certainty and cost for interest profile



Diverse and cost effective funding



Credit ratings and metrics - S&P BBB+ (stable) / Moody's A3 (stable)



SUSTAINABILITY & OUTLOOK



OUR PROGRESS ON SUSTAINABILITY

Our approach to sustainability will underpin our future performance. In the first half of 2019 we continued to make progress against all of our sustainability goals, including sustainable packaging, sugar reduction and energy consumption.

SUGAR REDUCTION



- Continued **commitment to reducing sugar** across our Australian and New Zealand portfolio by 10% by 2020, with a further 10% reduction across both markets by 2025¹.
- Progress against the target as at 30 June 2019:
 - Australia – 7.0%
 - New Zealand – 4.1%
 - Indonesia – 7.8%

1. Based on portfolio-wide weighted volume average total sugar content (g/100ml). All targets are for 2020 compared to 1 January 2016 unless otherwise specified.

ENERGY CONSUMPTION



- Continued progress towards 60% renewable or low-carbon energy use across our operations.
- One of the SE Asia's **largest** rooftop solar installation underway in Indonesia
- More than **10,000** solar panels with capacity of **3,527 kW** across three sites in Australia – Eastern Creek, Richlands and Kewdale

SUSTAINABLE PACKAGING



- Committed to **Seven out of ten** of our plastic bottles in **Australia** will be made from 100% recycled plastic by the end of 2019
- Ceased** distributed of **plastic straws** in Australia
- Partnered with Keep Australia Beautiful to **target litter hotspots**
- Maintained our commitment to Fiji based **Mission Pacific**

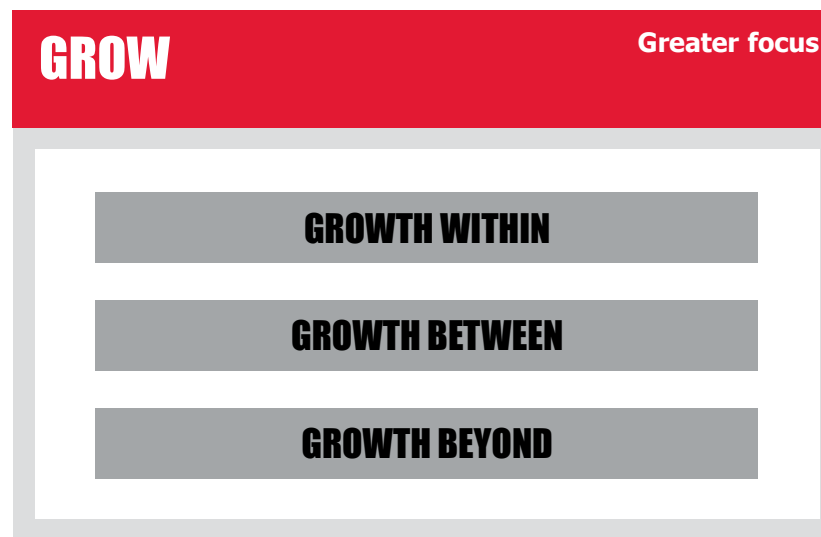
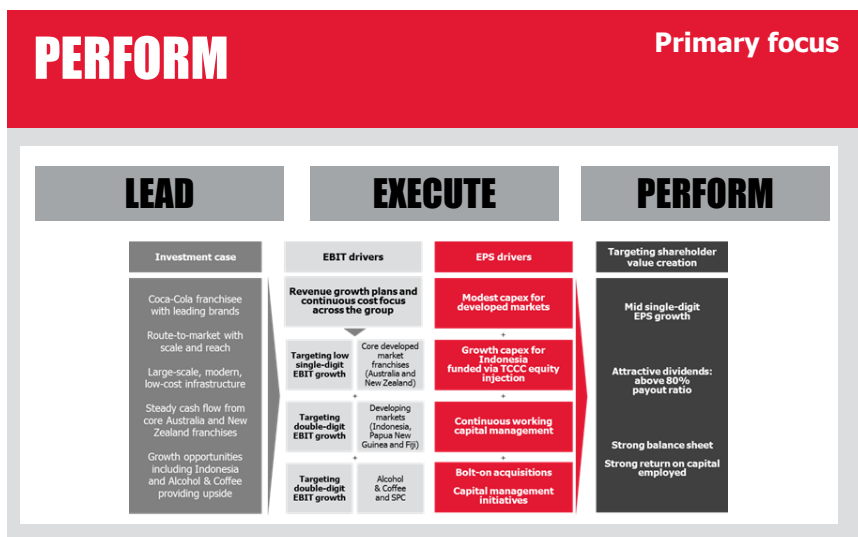
QUESTIONS & ANSWERS



APPENDIX

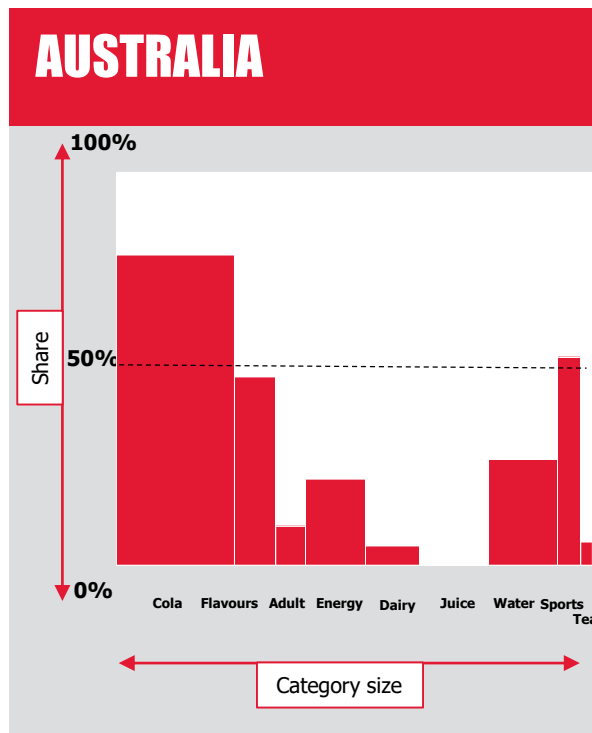


OUR GROUP STRATEGY HAS THREE DISTINCT ELEMENTS

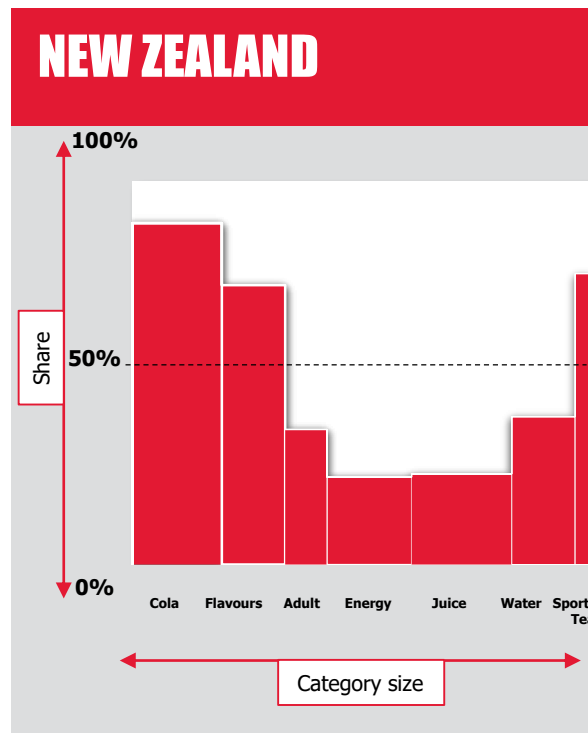


OUR POSITION IN THREE KEY MARKETS

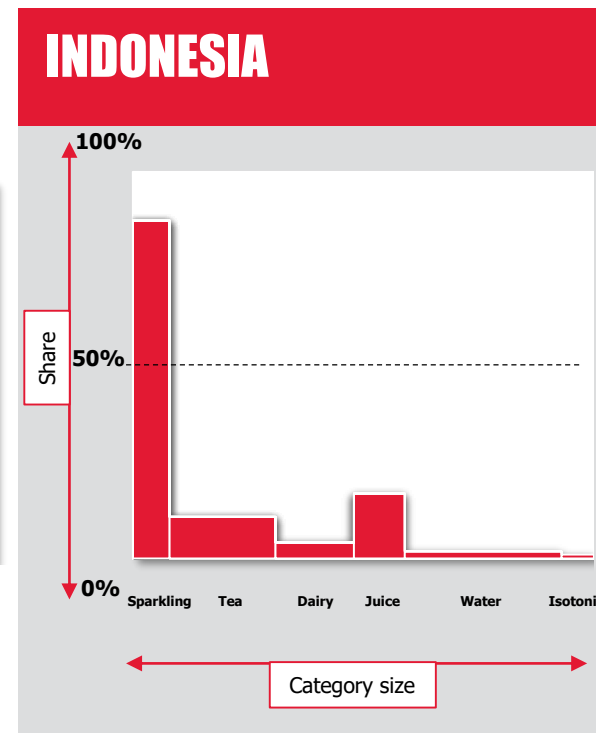
Market value composition and Coca-Cola Amatil's share



Sources: Aztec Australian Grocery Weighted and AU Convenience scan for 12 months to end June 2018.



Source: Nielsen; internal estimates. June 2018.



Source: Nielsen; October 2018.

APPENDIX: AUSTRALIAN BEVERAGES



STRATEGY- CHANNEL "MUST WIN": GROCERY

Sharpening our focus in grocery – RSVP model builds on the "perfect store" example

RANGE

- Core range in stock in aisle and cold drink
- Maximise the best seller products
- No ranging gaps

SPACE

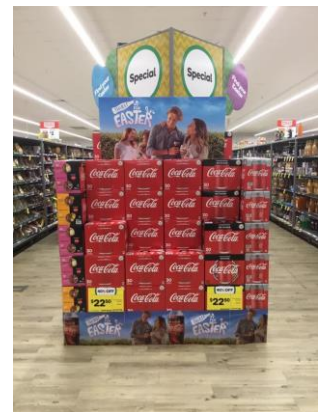
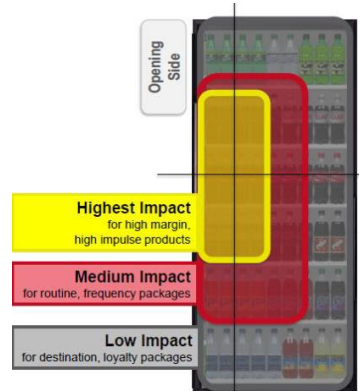
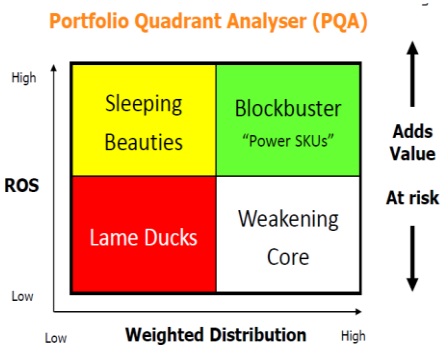
- Aisle set to planogram
- Cooler set to planogram
- Additional equipment
- Stock availability

VISIBILITY

- Promotions executed to standard (in and out of aisle)
- Displays featuring right packs in right location
- Execute point of sale
- Coolers in best location

PRICE

- All promotions clearly ticketed (in and out of aisle)
- Points of sale activated



STRATEGY- ENABLERS PORTFOLIO SIMPLIFICATION AND INNOVATION

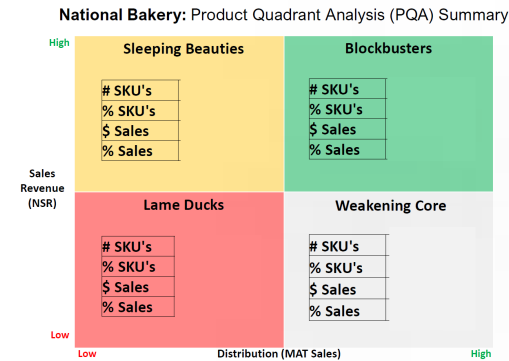
We are sharpening our ranging in outlets, maximising product facings towards best sellers and reducing low return products

PRIORITIES & PROGRESS

- Undertaking a full product quadrant analysis
- Targeting to simplify the portfolio and develop more effective planograms, optimised by product and by segment
- Several supply chain benefits in manufacturing and distribution

PRODUCT QUADRANT ANALYSIS AND PRODUCT OPTIMISATION BY CHANNEL

Product Quadrant Analysis



--- Illustrative ---

Product and channel optimisation

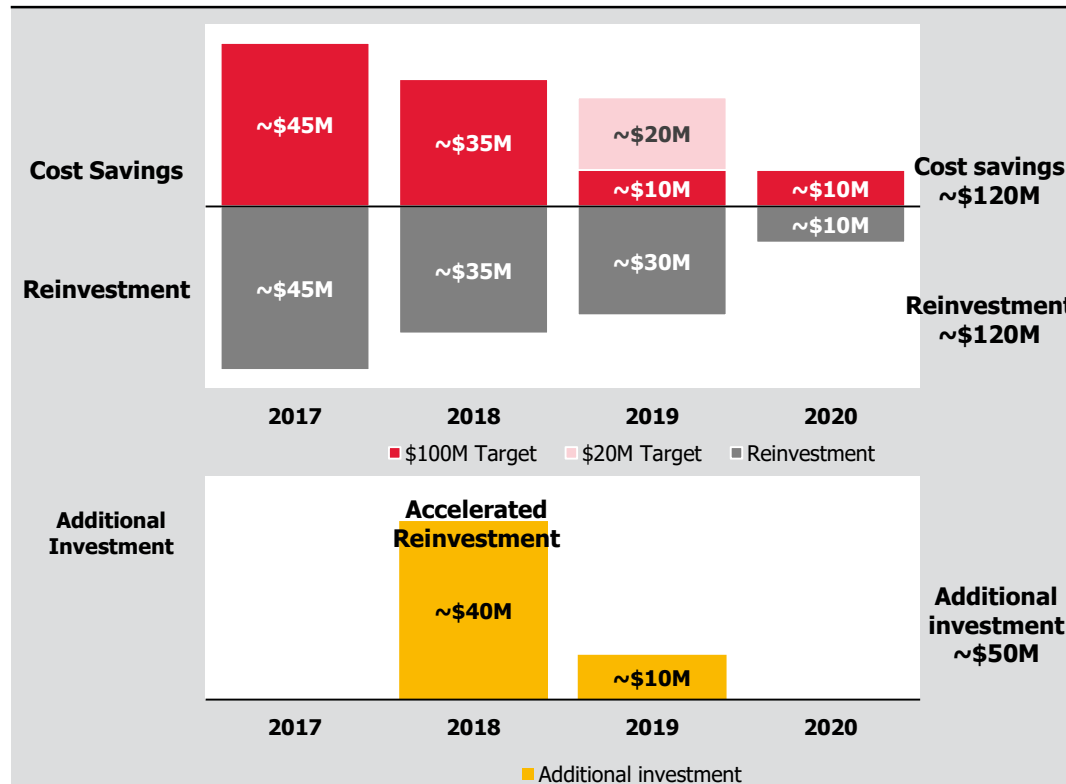


STRATEGY- ENABLERS

COST OPTIMISATION & REINVESTMENT

Investing an additional \$10 million in 2019 as well as continuing to reinvest the cost savings expected to be delivered in 2019

Indicative profile of cost optimisation and accelerated reinvestment



COMMENTARY

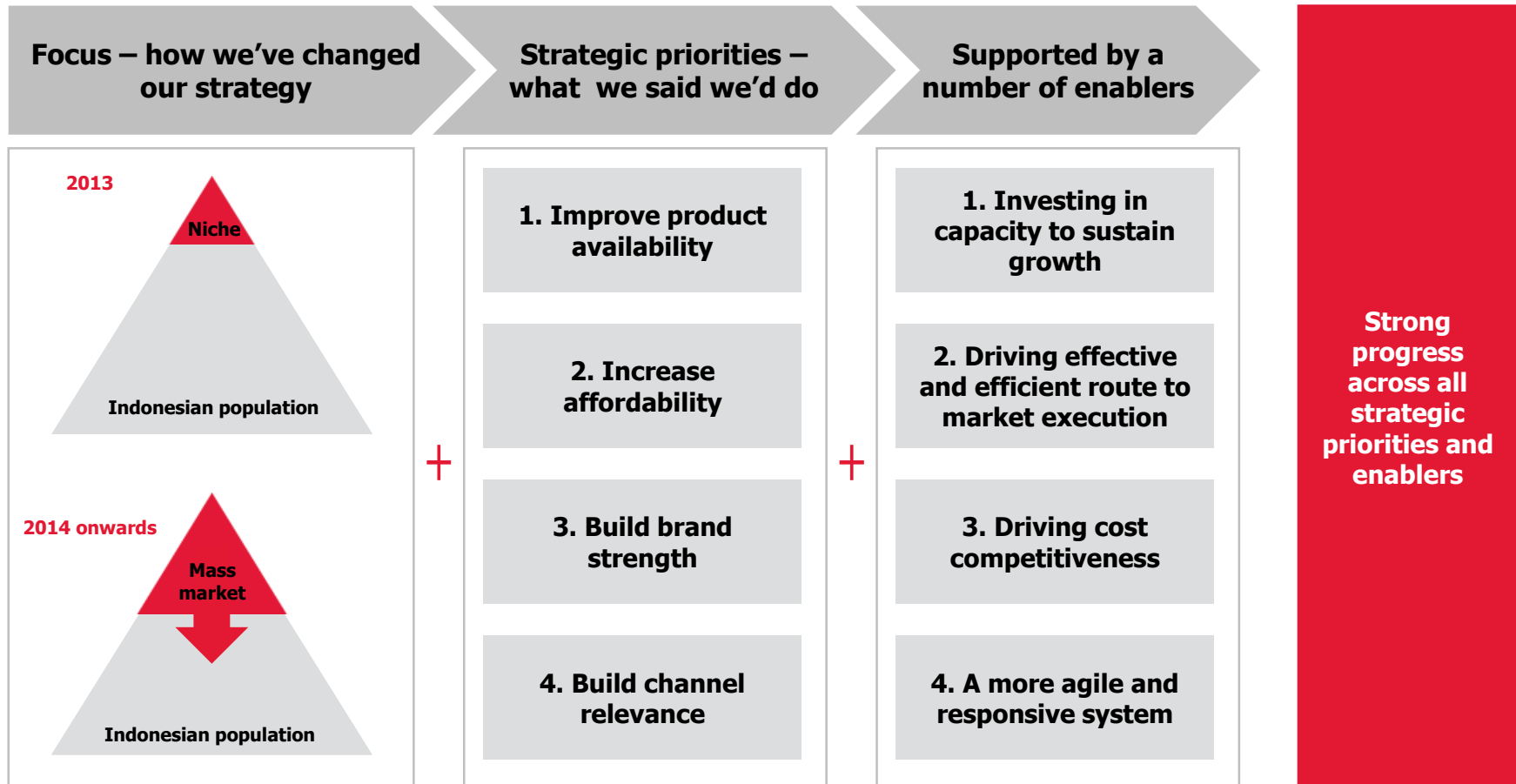
- We have previously aimed to reinvest the cost savings in the year it was expected to be delivered
- In 2018 we are making an additional investment of ~\$40 million
- In 2019 we will make an additional ~\$10 million, as well as reinvesting the cost savings expected to be delivered
- The additional ~\$10 million in 2019 will be allocated towards our initiative to increase our salesforce in the state immediate consumption channel, and will become part of our cost base in 2020
- We remain committed to our plan to restore Australian Beverages to revenue and earnings growth but this additional investment will have a negative impact on earnings in 2019

INDONESIA APPENDIX



ACCELERATE TO TRANSFORM

In 2014, we committed to the Accelerate to Transform strategy and have made significant progress against the plan



ALCOHOL & COFFEE APPENDIX



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
<p>Access to world-class brands</p>	<p>Freedom to innovate and build scale</p>	<p>Leverage route to market with scale/reach and large scale low cost infrastructure</p>	<p>Partnerships that deliver value creation</p>

CCA
COCA-COLA
AMATIL