

ASX Release

23 July 2020

COCA-COLA AMATIL ASSET VALUE REVIEW AND JUNE TRADING

Coca-Cola Amatil Limited ('Amatil', 'the Company' or 'the Group') today announces that in accordance with the relevant accounting standards, and as part of the process of finalising its first half 2020 (1H2020) financial results, it is currently assessing the carrying value of each of its businesses as at 30 June 2020.

In light of the adverse impact of COVID-19 on trading performance and the prescribed approach to assessing carrying values under the accounting standards, the Group expects to incur non-cash impairments in the range of \$160-190 million (post tax, pre-minorities) in its 1H2020 accounts.

These likely impairments relate predominantly to Amatil's Indonesian business and will not impact the Company's debt facilities, noting that these facilities do not have any financial covenants. The final outcome of the impairment review is subject to external audit review and final Board approval of the Group's 1H2020 financial statements.

Group Managing Director Alison Watkins said, "These expected impairments are non-cash accounting adjustments and we remain very confident about the long-term prospects for our Indonesian business".

June Trading

As previously indicated, the Company will provide a detailed trading update at the first half results announcement in August. Amatil has experienced an improvement in trading conditions in its major markets in June, reflecting the gradual easing of COVID-19 related restrictions. The Group's Trading Volumes in June 2020 were down approximately 9% compared to June 2019. This resulted in a second quarter 2020 (2Q2020) Volume decline of approximately 23% compared to the prior corresponding period (pcp).

The rate of improvement has varied greatly across geographic markets, due to differences in the approach, timing and extent of lifting of lockdown restrictions. In New Zealand, where significant easing of restrictions has taken place, Amatil's June 2020 Volumes increased approximately 4% on June 2019. In Australia, June 2020 Volumes declined approximately 3% (non-alcoholic ready to drink (NARTD) Volumes declined 4%). In Indonesia, where COVID-19 infection rates remain high, June 2020 Volumes declined approximately 23% on June 2019, despite improving significantly on the May 2020 and April 2020 decline rates.

As noted at the May trading update, margins, particularly in Australia, have been adversely impacted by changing consumer behaviour due to COVID restrictions. This has led to a significant shift in Volume towards Amatil's grocery channel and away from higher margin on-the-go channels, which have been hardest hit by the restrictions.

Within this environment, the Company has continued its focus on disciplined management of costs and cashflows, with each of its businesses making good progress in recalibrating future resourcing requirements, for actioning as required.

Ms Watkins said, "It is encouraging to see the improvement in our Volumes as the pandemic restrictions were lifted across a number of our markets. It has also been pleasing to see that the strength of our brands and strong sales capabilities continue to drive market share gains in Australia¹ and New Zealand². We nevertheless remain cautious, given the reinstatement of lockdown measures from July in Melbourne and the rising COVID-19 infection rate in Indonesia.

"The impacts of the pandemic are continuing to evolve with the situation fluid across all of our markets. I am proud of the way the Amatil team has responded to the unprecedented challenges we have faced and am confident that we have a clear path forward, which coupled with our ample liquidity, strong balance sheet and solid credit ratings, positions us well, to emerge from the pandemic as a stronger, better business."

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For further information:

Media

Tanya Baini
Mobile: +61 418 865 853
Email: tanya.baini@ccamatil.com

James Lopez
Mobile: +61 437 937 100
Email: james.lopez@ccamatil.com

Investor Relations

Ana Metelo
Mobile: +61 429 849 905
Email: ana.metelo@ccamatil.com

Group Company Secretary

Richard Conway
Mobile: +61 438 751 883
Email: richard.conway@ccamatil.com

Authorised by the Board of Directors.

ABOUT COCA-COLA AMATIL

Coca-Cola Amatil Limited (including subsidiaries, group entities and related bodies corporate) is one of the largest bottlers and distributors of ready-to-drink non-alcohol and alcohol beverages and coffee in the Asia Pacific region. Coca-Cola Amatil is also the authorised bottler 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 12,000 people and indirectly creates thousands more jobs across the supply chain, partnering with key suppliers to bottle, package, sell and distribute its products. With access to around 270 million potential consumers through more than 630,000 active customers Coca-Cola Amatil is committed to leading through innovation, building a sustainable future and delivering long-term value, both to shareholders and to society.

For more information, visit www.ccamatil.com or search for Coca-Cola Amatil on LinkedIn, Facebook or Twitter.

¹ NARTD share of Grocery and Convenience and Petroleum. Source: IRI 13 weeks to 28/06/20;

² NARTD share of Grocery and Convenience and Petroleum. Source: Nielsen YTD to 21/6/20;