ABN 26 004 139 397
Level 13, 40 Mount Street
North Sydney NSW 2060, Australia
ccamatil.com

ASX Release

18 February 2021

COCA-COLA AMATIL: 2020 FULL YEAR RESULTS (FY20)

OVERVIEW

- **Results consistent with January 2021 trading update**
- **Improvement in trading performance in Australia and New Zealand in 2H20, in line with easing of COVID-19 lockdown measures**
- **FY20 volumes down 8.4% (2H down 5.4%) and trading revenue down 6.1% (2H down 3.3%) on FY19**
- **Tight cost management delivered $140 million of savings in FY20 of which approximately $60 million are permanent**
- **Ongoing[1] EBITDA[2] down 9.0% (2H up 0.1%) and ongoing EBIT[2] down 13.9% (2H up 3.2%)**
- **Ongoing NPAT[3] of $340.3 million down 13.6% on FY19**
- **Statutory NPAT of $179.9 million down 51.9% on FY19 inclusive of non-trading items (NTIs) which were largely due to the Indonesia impairment**
- **Net debt reduction of $289.4m on FY19, reflecting a significant improvement in working capital**
- **The Board has declared a 18.0 cents per share (cps) fully franked final dividend**

Coca-Cola Amatil Limited (‘**Amatil**’, ‘**the Company’** or ‘**the Group’**) today reported its audited financial results for the full financial year ending 31 December 2020. Headline results were consistent with those presented in the preliminary trading update on 22 January 2021. Statutory NPAT declined 51.9% (FY20: $179.9 million; FY19: $374.4 million) reflecting non-trading items of $160.4 million[4], including impairments to Amatil’s Indonesian, Fijian and Samoan businesses incurred in the year. Ongoing NPAT of $340.3 million was down 13.6 % on the prior corresponding period (pcp) (FY19: $393.9 million).

Group Managing Director Alison Watkins said, “As stated at the time of our January 2021 trading update, we delivered a strong trading performance in the all important 4Q20 Christmas period in both Australia and New Zealand.”

“While our Indonesian business continued to face challenging trading conditions, contributed to by COVID-19 infection rates remaining high and tough macro-economic conditions prevailing, it was able to deliver positive EBIT and a strong cashflow for the year.”

“Our tight management of costs across the Group partially offset the adverse impact of COVID-19 on trading activity. Our financial performance under these challenging conditions, with our strong cash realisation and reduction in net debt, is a testament to the strength of our businesses and the tenacity of our people, partners and customers.”

[1] Ongoing refers to continuing operations financial results adjusted to exclude non-trading items.
[2] EBITDA refers to earnings before interest, tax, depreciation and amortisation; EBIT refers to earnings before interest and tax.
[3] NPAT refers to net profit after tax.
[4] Non-trading items are referred to on a post tax and, where relevant, post minority interests basis.

The Board has declared a fully franked final dividend of 18.0 cps. Under the Coca-Cola European Partners (‘**CCEP’**) scheme of arrangement (**‘Scheme’**), the value of the final dividend for 2020 will be deducted from the total cash consideration per share of $13.50 offered by CCEP.

Commenting on the dividend, Ms Watkins noted, “The final dividend amount was set to allow available franking credits to be returned to Australian shareholders. The franking credits represent additional value to those shareholders who are able to realise a tax benefit from those franking credits”.

GROUP

Group 0ngoing Performance Measures	FY20	FY19	% change
Volume (muc)	617.6	674.4	(8.4)
Trading Revenue (A$m)	4,762.1	5,070.6	(6.1)
Ongoing EBITDA (A$m)	898.9	987.4	(9.0)
Ongoing EBIT (A$m)	550.7	639.3	(13.9)
NPAT (A$m):			
o Statutory	179.9	374.4	(51.9)
o Ongoing	340.3	393.9	(13.6)
Net Debt ($Am)	1,462.1	1,751.5	(16.5)

On a Group level, volumes were down 8.4% in FY20. This reflected a marked improvement in the second half of the year, with volumes down 5.4% compared with 11.6% in the first half. Full year trading revenue was down 6.1% on pcp with the rate of improvement varying markedly across Amatil’s geographic markets due to differences in COVID-19 infection rates and restrictions on mobility.

Recognising the challenges that the pandemic posed for trading conditions, the Company focussed throughout the year on managing costs, with $140 million of cost savings delivered in FY20, including $20 million of direct marketing expenditure. Of these cost savings approximately $60 million are permanent.

These cost savings enabled the Group to deliver ongoing EBITDA of $898.9 million for the year (down 9.0% on FY19), ongoing EBIT of $550.7 million (down 13.9% on FY19) and ongoing NPAT of $340.3 million (down 13.6% on FY19).

Ms Watkins said, “Our ability to tightly manage costs and capex and grow market share in our major markets throughout such a challenging year, demonstrates the strength and resilience of our business model. Looking ahead we are well progressed in implementing our Fighting Fit program which is expected to deliver additional cumulative savings of $85 million by FY22.”

Non-trading items (NTIs) for the full year were $160.4 million. This included $120.8m reported in 1H20, largely due to the impairment of Indonesia. 2H20 NTIs of $39.6m primarily related to the implementation of the ‘Fighting Fit’ cost initiatives in Australia and Group Office.

Inclusive of NTIs the Group reported statutory NPAT of $179.9 million compared to $374.4 million in FY19.

AUSTRALIA

Australia Financial Performance Measures	FY20	FY19	% Change
Volume (muc)	324.5	338.7	(4.2)
Trading Revenue (A$m)	2,936.9	3,044.6	(3.5)
Ongoing EBITDA (A$m)	502.3	549.9	(8.7)
Ongoing EBIT (A$m)	362.6	424.9	(14.7)
Ongoing EBIT Margin (%)	12.3%	14.0%	(1.7) ppts

Amatil’s Australian business delivered a strong trading performance in 4Q20, continuing the recovery experienced in 3Q20. 4Q20 volumes were up 0.4% on pcp, despite some targeted COVID-19 restrictions in parts of metropolitan New South Wales and limits on interstate travel. Strong momentum in Australia carried into January 2021 trading.

On a full year basis volumes were down 4.2% and revenue was down 3.5% with a more pronounced decline in ongoing EBITDA (down 8.7% on FY19) due to changes in channel and pack mix as consumer behaviour responded to COVID-19 lockdown measures.

Performance varied widely across channels and products. In terms of channel performance the restrictions on trading and shift to 'at-home' consumption throughout the year due to COVID-19 resulted in the grocery channel ending the year up 4.3% on FY19, convenience & petroleum up 0.4% and on-the-go (OTG) down 16.4%.

These restrictions also led to a shift in product mix with demand for multi-serve PET and multi-pack cans increasing and demand for immediate consumption offerings decreasing. These channel and product shifts resulted in margin compression in 1H20, which improved in 2H20 as restrictions eased. From a category perspective, Amatil performed strongly during the year in the cola category, delivering 1.9% volume growth compared to the pcp. Energy was the standout category for the year, delivering 7.9% volume growth year on year led by growth of 31.8% in the Monster Energy brand. Other categories such as frozen (down 16.7% on FY19), and still water (down 15.3% on FY19) were challenged, reflecting reduced consumer mobility.

Performance across the States also varied reflecting subsequent waves of COVID-19 and the ensuing lockdown measures implemented in response. The hardest hit States were Victoria and NSW where FY20 volumes were down 8.6% and 7.1% respectively on FY19. Queensland volume was down 0.7%, while the best performing States were Western Australia up 1.9% and South Australia up 1.3%.

Ms Watkins said, "Whilst we were able to partially offset some of the Australian EBITDA decline through our strong cost management initiatives, the lower volumes and revenue resulted in a reduced capacity to absorb fixed costs such as production, sales and support expenses."

"Our focus was on driving market share gains in our core categories, helping our customers to sell online and allocating resources to address the shift in geographical demand. We were also focused on adjusting our 'cost to serve' to the prevailing market conditions and to improving our network agility to respond to shifts in channel mix, demand volatility and government restrictions."

"I am pleased to report that we were able to achieve market share gains in the non-alcohol ready to drink (NARTD) market which grew during the year, delivering NARTD volume share gains[5] of 0.7 ppts with our Coca-Cola Trademark increasing its volume share by 0.4ppts[6]."

PACIFIC (NEW ZEALAND, FIJI & SAMOA)

Pacific Financial Performance Measures	FY 2020	FY 2019	% Change
Volume (muc)	82.9	85.0	(2.5)
Trading Revenue (A$m)	812.7	809.2	0.4
Ongoing EBITDA (A$m)	181.0	179.8	0.7
Ongoing EBIT (A$m)	130.5	131.7	(0.9)
Ongoing EBIT Margin (%)	16.1	16.3	(0.2) ppts

The Company's Pacific business delivered a solid result for the year driven by the strong performance in New Zealand which achieved revenue growth of 3.6% and flat volumes compared to FY19. The New Zealand business was able to deliver relatively stable EBIT Margins and outperformed the total NARTD market[7] with volume share growth of 1.2 points and value share growth of 1.5 points in the year. This strong performance has continued in January 2021.

As noted at the Company's January 2021 trading update, Amatil has decided to repay the NZ$7.2 million government COVID-19 wage subsidy received in 1H20. As a consequence, 2H20 EBIT includes the reversal of this subsidy such that it has no impact on full year trading results. On a normalised basis (removal of the receipt and subsequent return of the subsidy from trading in each half), the Pacific segment EBIT declined 19.3% in 1H20 and grew 14.5% in 2H20 against the respective pcps. This strong 2H20 trading result includes the benefit of two extra trading days versus pcp and a favourable comparative pcp given price increases implemented in 3Q19.

Amatil's trading performance in Fiji and Samoa continued to be adversely impacted by COVID-19 with expectations that both markets will remain challenged until international travel restrictions are eased.

[5] Amatil volume share +0.7 ppts in 2020 (source: Aztec data, NARTD Australian Weighted Grocery (excl Aldi) and Australian Convenience scan 12 months to 03 January 2021)

[6] Coca-Cola Trademark Classic cola +1.7 ppts volume share and +0.9ppts in value share (source: Aztec data, NARTD Australian Weighted Grocery (excl Aldi) and Australian Convenience scan 12 months to 03 January 2021)

[7] New Zealand growth in Value & Volume share of NARTD in Grocery and Convenience & Petroleum Source Nielsen YTD to 3 January 2021 scanned data

INDONESIA & PAPUA NEW GUINEA (PNG)

Indonesia & PNG Financial Performance Measures	FY 2020	FY 2019	% Change
Volume (muc)	210.2	250.7	(16.2)
Trading Revenue (A$m)	955.5	1,165.4	(18.0)
Ongoing EBITDA (A$m)	147.6	195.8	(24.6)
Ongoing EBIT (A$m)	61.3	96.3	(36.3)
Ongoing EBIT Margin (%)	6.4	8.3	(1.9) ppts

The Company's Indonesian and PNG business experienced challenging trading conditions in FY20 with volumes down 16.2% and revenue down 18.0% on pcp. Ongoing EBIT was down 36.3% in FY20 reflecting a 1.9 ppts decline in ongoing EBIT margins.

In Indonesia COVID-19 infection rates continued to rise and macro economic conditions remained challenging. As a result the NARTD market[10] contracted by 20.4% during the year, however the business still delivered volume share gains[10].

During a year of significant volatility, Amatil's Indonesian business leveraged its route to market model to address changes in shopping behaviour with the Traditional Trade channel benefitting from consumers shopping in their local areas. The Modern Trade and Traditional Trade channels were both challenged during the year with volume down 25.1% and 15.0% respectively on FY19 reflecting a reduction in consumer mobility.

Trading conditions have continued to be challenging in January 2021. Recognising that it will take time for the trading environment in Indonesia to improve, the Company has focused on managing costs and implementing efficiency improvements to drive growth and ensure the business remains cashflow positive.

PNG also faced challenging trading conditions throughout the year as a result of the pandemic which have continued in January 2021. The strength of Amatil's position in PNG enabled it to trade consistently throughout much of the year and to compete effectively albeit with some impact on pricing. Of note during the year was the completion of a new warehouse and the commencement of the installation of an additional can line, which will assist to strengthen Amatil's position in this market.

BALANCE SHEET

The Company reported net debt as at 31 December 2020 of $1,462.1 million (inclusive of $499.5 million of capitalised lease liabilities). This represents a reduction of $289.4 million on the 31 December 2019 balance and $268.6 million on the 26 June 2020 balance. The reduction in net debt largely reflects the continued improvement in the Company's management of working capital, particularly cash collections and inventory management. Capital expenditure of $208.7 million was in line with management's previously announced reduced target of $210 million.

During the year the Company took steps to maintain total facilities of $2.6 billion as at 31 December 2020 and an average debt maturity of five and a half years. Amatil's facilities do not have any debt covenants.

The Group holds approximately $1.7 billion of liquidity. This includes close to $1.1 billion in cash and $630 million in undrawn facilities. The cash balance includes approximately $500 million held in Indonesia and PNG which is approximately $200 million lower than last year.

The Group has approximately $330 million of debt due for repayment in the next 12 months. Cash flow generation continues to be strong, with ongoing free cash flow of $661.0 million (an improvement of $139.6 million compared to FY19) and cash realisation of 124.7%.

DIVIDEND

The Board has declared a fully franked final dividend of 18 cents per share (cps). The record date for the final dividend will be 19 April 2021 and the payment date will be 30 April 2021[8].

In accordance with the agreed Scheme Implementation Deed (**'SID'**) with CCEP, the value of the final dividend will be deducted from the total consideration per share of $13.50 offered by CCEP under the Scheme in the event that

[8] Amatil may need to make changes to the record date and/or the payment date for the final dividend in the event that the expected date for the Scheme Meeting under the Scheme with CCEP is delayed or to ensure that the final dividend is paid before the record date for the Scheme. Amatil will notify shareholders of any changes to the record date or payment date for the final dividend by way of an announcement to the ASX.

the transaction proceeds. The final dividend is fully franked and has been set at a level that allows available franking credits to be returned to Australian shareholders. The franking credits attached to the final dividend will represent additional value to those shareholders who are able to realise a tax benefit from those franking credits.

FY21 PRIORITIES

Whilst the impacts of COVID-19 on trading are continuing to evolve, the Company's 2H20 performance has demonstrated that when pandemic mobility restrictions are eased and confidence increases Amatil is able to respond rapidly.

Looking ahead, it is encouraging to see the roll-out of the COVID-19 vaccines planned for 2021. However, uncertainty as to the timing and impact across our various markets remains, as does uncertainty around trading conditions, with the pandemic still progressing in Indonesia and the reduction of government stimulus in Australia.

Ms Watkins said, "In the immediate term we remain focused on continuing to drive market share gains, growing our presence in e-commerce and delivering our Fighting Fit cost efficiencies.

"We are confident that our enhanced competitive position together with our strong balance sheet, ample liquidity, robust cashflows and solid credit rating position us well financially and operationally to emerge a stronger, better business."

TRANSACTION UPDATE

The Company continues to progress the Scheme with CCEP which was originally announced on 26 October 2020. As announced on 15 February 2021, Amatil and CCEP have entered into an amendment deed to the SID that provides for an increase from the original total cash consideration offered to independent shareholders of $12.75 per share to $13.50 per share, less the cash amount of the 18 cps final dividend. The Australian Foreign Investment Review Board provided regulatory approval for the transaction on 29 January 2021, however the Scheme remains subject to other conditions including court approval and the New Zealand Overseas Investment Office regulatory approval.

The Company currently expects a scheme booklet to be sent to shareholders in mid March 2021. The latest indicative timetable is set out in Appendix A.

ENDS

For further information:

Media	Investor Relations	Group Company Secretary
James Lopez	Helen Karlis	Richard Conway
+61 437 937 100	+61 419 593 348	+61 438 751 883
james.lopez@ccamatil.com	helen@domestiqueconsulting.com.au	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.

APPENDIX A

CCEP PROPOSED SCHEME OF ARRANGEMENT INDICATIVE TIMETABLE AS AT 18 FEBRUARY*

On or before 22 February 2021	Draft Scheme Booklet and Independent Expert's Report submitted to ASIC
Mid March 2021	First Court Hearing
Mid March 2021	Dispatch of Scheme Booklet
Mid April 2021	Amatil Scheme Meeting
Mid April 2021 (currently 19 April)	Dividend Record Date
Mid-Late April 2021	Second Court Hearing
Mid-Late April 2021	Effective Date
Late April 2021 (currently 30 April)	Dividend Payment Date
Early May 2021	Scheme Record Date
Early-Mid May 2021	Implementation Date

* These are indicative dates that are subject to change and conditional on regulatory approval