

# ASX Announcement

21 October 2016

## COCA-COLA AMATIL 2016 INVESTOR DAY

Coca-Cola Amatil will today host a briefing with Investors to provide a progress update on the Group strategy announced in October 2014.

Group Managing Director Alison Watkins said the Investor Day would provide further definition to Coca-Cola Amatil's medium-term plans.

"It's been two years since our last investor briefing, where we outlined our strategy for stronger category leadership, step changes in productivity and in-market execution, and better alignment with The Coca-Cola Company and our other partners," Ms Watkins said.

"These strategic themes remain unchanged and today we provide an overview of our progress against this strategy and provide further confidence in our shareholder value proposition.

"This will include the progress we have made to align our interests with our partners, particularly The Coca-Cola Company.

"Over the past two years we have stuck to our plans, created real possibilities and realised real progress. Looking forward we know there will be additional growth opportunities and we plan to be positioned well to pursue them.

"While the structural changes in our industry will continue, we know what we need to do and there's a lot to be positive about."

Highlights of the Investor Day include:

### **Indonesia & Papua New Guinea**

- An update on the transformation of the Indonesian business that commenced with the significant change in strategy in 2014 for this market
- Significant progress towards strengthening our leadership position in the cola category

### **Australian Beverages**

- An update on the reinvigoration of our portfolio across all categories, including the new Coca-Cola brand positioning
- Progress against the \$100M cost optimisation target set in 2014, which will be delivered in FY16
- Identification of at least a further \$100M in cost optimisation opportunities which will underpin a return to growth
- Better commercial alignment with The Coca-Cola Company through arrangements on water and the planned introduction of incidence pricing arrangements in 2017

**New Zealand & Fiji**

- An outline of the fundamentals that have enabled the business to achieve solid growth
- Rationale for continued growth expectations

**Alcohol & Coffee**

- Update on our strong portfolio and partners including our expanded relationships with Beam Suntory and Molson Coors
- New developments in Amatil's owned brands and other category opportunities that are delivering growth

**SPC**

- Progress update on our modernisation program and innovation pipeline

A copy of the presentation is attached. The Investor Day can also be accessed live via webcast (<https://www.ccamatil.com/investors-and-media/media-articles/presentations>)

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# 2016 Investor Day

21 October 2016

Sydney

**CCA**  
COCA-COLA AMATIL

# Disclaimer



CCA 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 CCA's control.

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

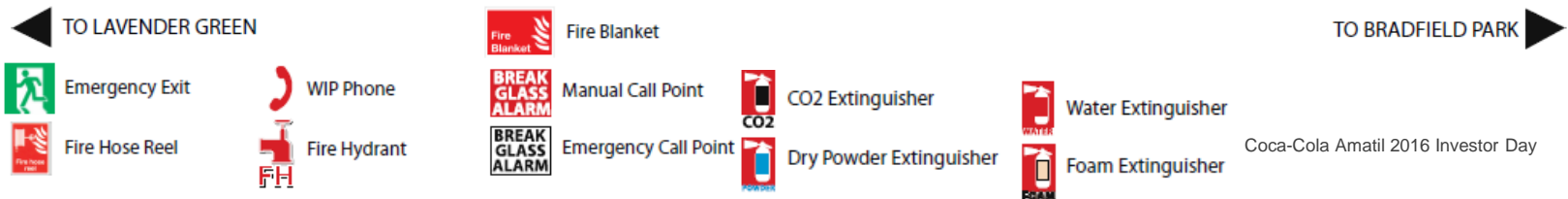
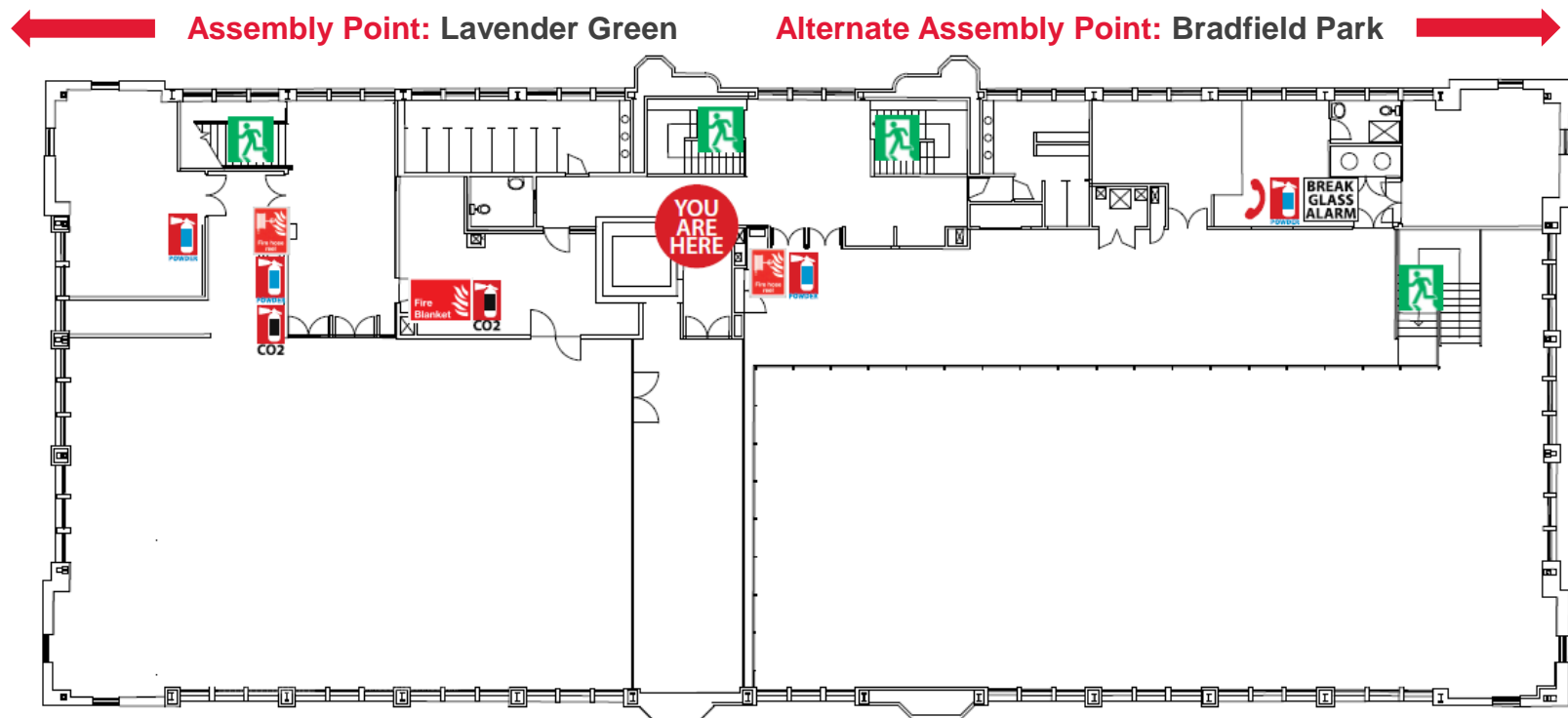
Actual future events may vary from these forward looking statements and you are cautioned not to place reliance on any forward looking statement.



# Welcome & Safety Briefing

## In the event of an emergency:

- Move away from danger
- Contact security on 9033 7595 (extension 595)
- Evacuate as directed by our Functions or Venue Supervisor



# Today's objectives



- 1. Progress update on our strategy**
- 2. Update on recent developments and new initiatives**
- 3. Access to Group Leadership Team**
- 4. Hands on experience with Australian Beverages and Alcohol & Coffee**

# Agenda

Start	Minutes	Section	Presenting
From 9.00am		Arrival & Registration	
9.30am	10 min	Welcome, Safety & Objectives	David Akers
9.40am	30 min	<b>Group Overview &amp; Strategy</b>	Alison Watkins
10.10am	30 min	<b>Indonesia &amp; PNG</b>	Kadir Gunduz
10.40am	20 min	Morning Tea	
11.00am	30 min	<b>Australian Beverages</b>	Barry O'Connell
11.30m	30 min	<b>New Zealand &amp; Fiji</b>	Chris Litchfield
12.00pm	15 min	<b>Alcohol &amp; Coffee</b>	Shane Richardson
12.15pm	10 min	<b>SPC</b>	Alison Watkins
12.25pm	35 min	Lunch	
1.00pm	15 min	<b>Finance Overview</b>	Martyn Roberts
1.15pm	15 min	<b>Wrap Up and Final Q&amp;A</b>	Alison Watkins & GLT
1.30pm	10 min	Move to demonstration rooms	
1.40pm	55 min	<b>Australian Beverages – Digital technology</b>	Australian Beverages
2.35pm	55 min	<b>Alcohol &amp; Coffee – Portfolio</b>	Alcohol & Coffee
3.30pm		Casual Refreshments	
4.30pm		Close	

# Group Leadership Team



**Alison Watkins**  
Group Managing Director



**Betty Ivanoff**  
Group General Counsel



**Barry O'Connell**  
Managing Director  
Australian Beverages



**Kadir Gunduz**  
Managing Director  
Indonesia & PNG



**Martyn Roberts**  
Group Chief Financial Officer



**Libbi Wilson**  
Group Human Resources Director



**Chris Litchfield**  
Managing Director  
New Zealand & Fiji



**Shane Richardson**  
Managing Director  
Alcohol & Coffee



# Group Overview & Strategy

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Alison Watkins | Group Managing Director

**CCA**  
COCA-COLA AMATIL

# Group Overview & Strategy



**Vision and values**

**Shareholder value proposition**

**Strategic themes → Lead, Execute, Partner**

**2014 strategic review and progress**

**Part of a unique global system**

**2015-2017 Financial targets**

**Sustainability**



Our vision and our values give us a clear and optimistic picture of success

### Our vision



**EVERYDAY**  
we create millions of  
**MOMENTS**  
of happiness &  
**POSSIBILITIES**

### Our Values



We take  
**INITIATIVE  
& OWN THE  
OUTCOME**

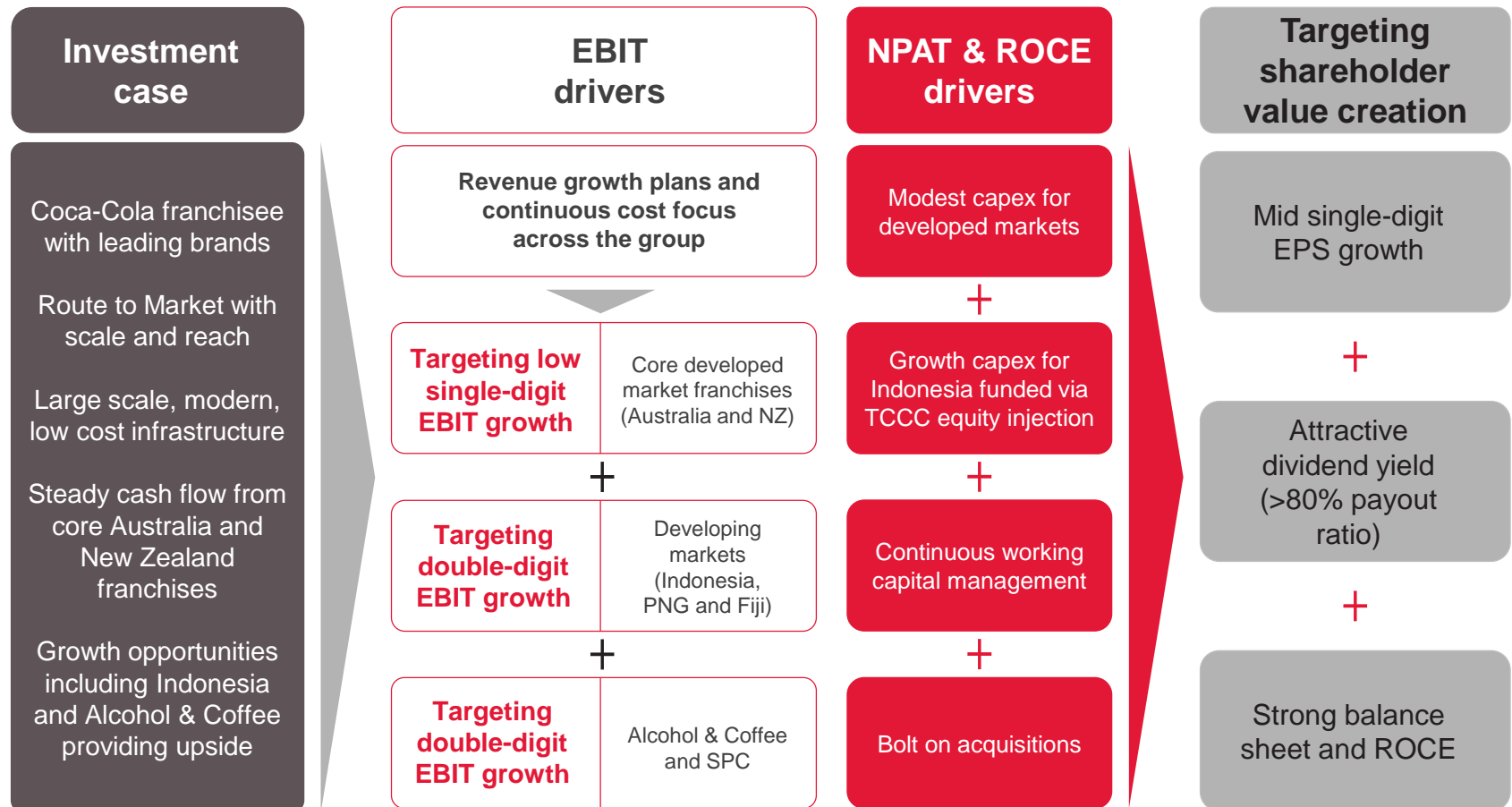
We focus  
**ON TODAY  
&  
TOMORROW**

We are  
**STRAIGHT  
FORWARD  
& OPEN**

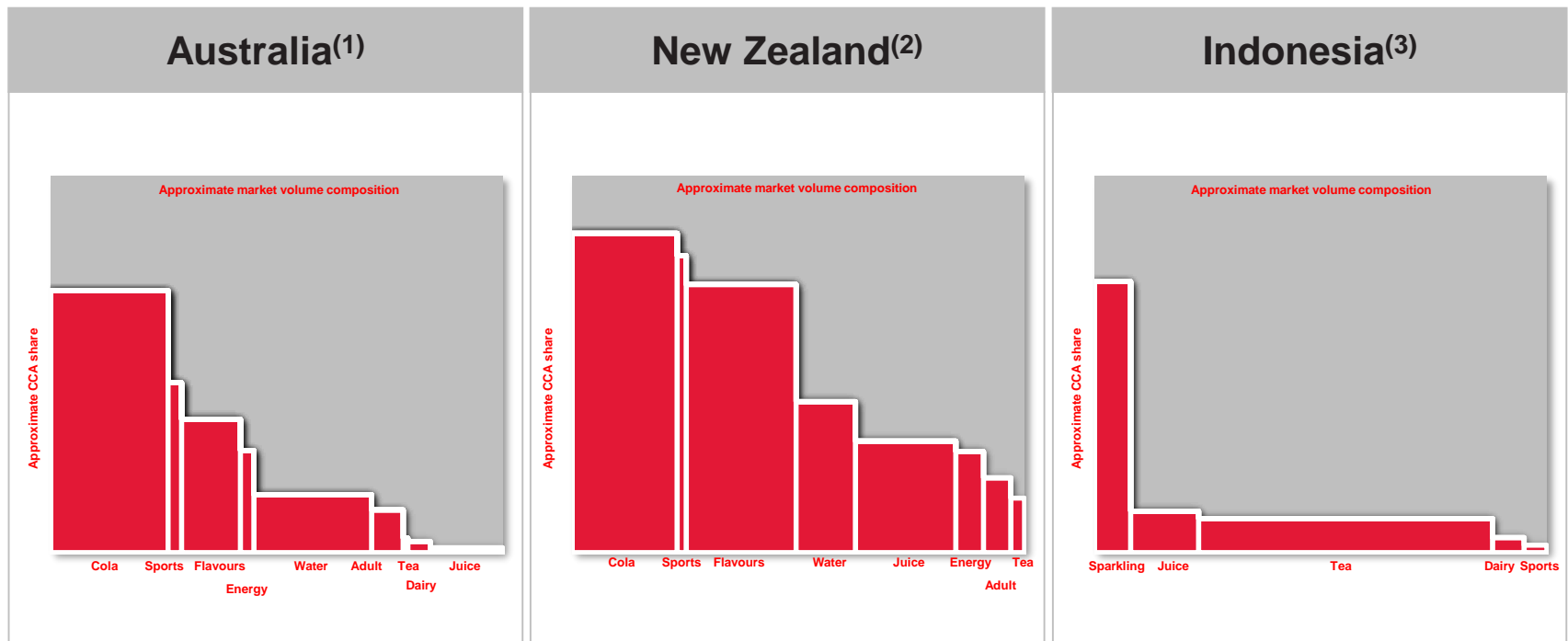


# Our shareholder value proposition is straightforward and compelling

We are focused on generating attractive sustainable returns for shareholders



# Our investment case is based on being a Coca-Cola franchisee with leading brands across Sparkling and Still Beverages



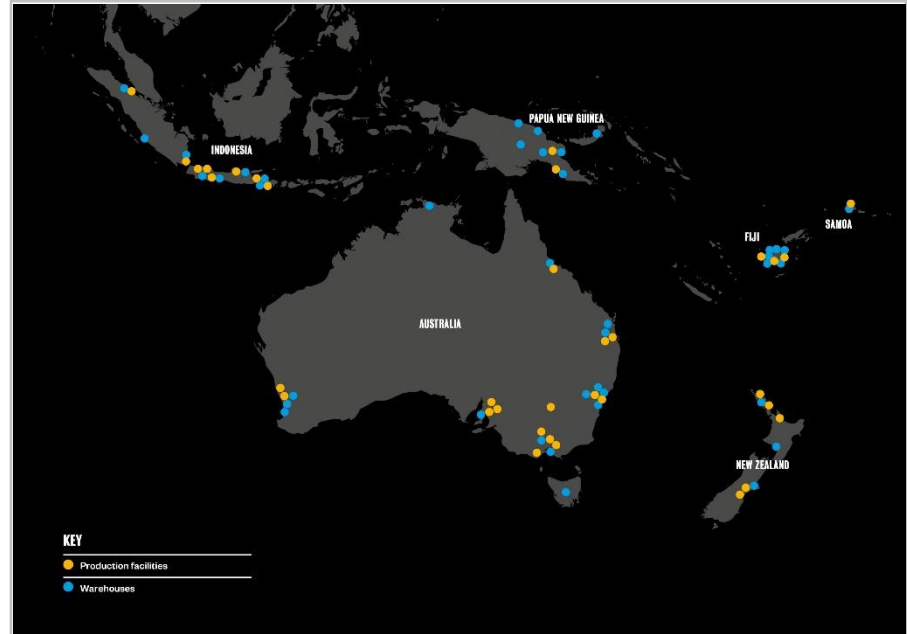
1. Sources: Aztec Australian Grocery Weighted and AU Convenience scan. MAT 1H16
2. Sources: Nielsen Total MM, YE 2015.
3. Sources: Source: Nielsen; internal estimates. Excludes water ~60% of the NARTD market. YTD 2016.

Our operations and route-to-market has significant scale and reach and we have large scale, modern and low cost infrastructure

### Our operations

	Australia	New Zealand	Fiji	Indonesia	Papua New Guinea
Production facilities	12	5	1	8	2
Production lines	40	15	4	37	6
Warehouses	15	3	2	8	7
Customers (approx.)	120,000	25,000	3,000	720,000	10,000
Equipment (approx.)	185,000	40,000	3,000	330,000	17,000

### Our footprint across Asia Pacific





In the 2014 strategic review,  
our plans reflected three broad  
Group strategic themes

## Lead

### Strengthening category leadership position

- Leading brands in each major NARTD category in each market
- Up-weighted levels of innovative marketing to continually strengthen brand equity
- Evolving portfolio that adapts to changing consumer preferences

## Execute

### Step change in productivity and in-market execution

- World-class customer servicing capability
- Route to market that provides customer diversification and real competitive advantage
- Effective leverage of our large-scale, low-cost manufacturing, sales and distribution capability

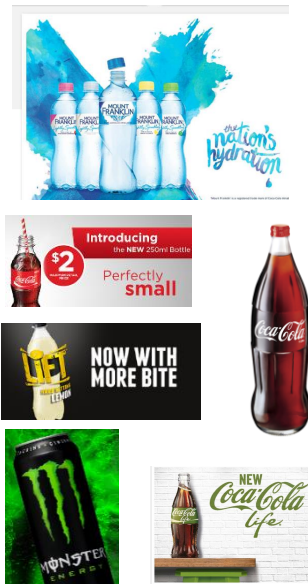
## Partner

### Better alignment with The Coca-Cola Company and our other partners

- Shared vision of success and aligned objectives
- Joint plans for growing system profitability
- Balanced share of risk and rewards

# We have continued to strengthen our leadership position across the group

## Australia



## New Zealand & Fiji



## Indonesia & PNG



## Alcohol & Coffee



# We have continued to improve our productivity and in-market execution

## Australia

- Improved execution metrics
- Enhanced in-field sales tools
- 2014 \$100M cost optimisation target to be delivered in FY16



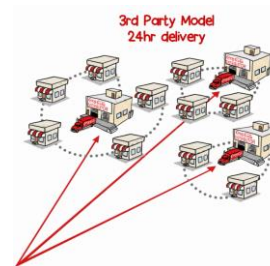
## New Zealand & Fiji

- Completion of a new juice and sports drinks plant
- Continued innovation in technology
- Increased availability of core range



## Indonesia & PNG

- Transformation of route to market model and productivity gains in manufacturing (Indonesia)
- Revised pack-pricing strategy (PNG)



## Alcohol & Coffee

- Deepened specialist capability in spirits, beer and coffee
- Coffee extended into grocery



# We have developed better alignment with The Coca-Cola Company and our other brand partners



Australia	New Zealand & Fiji	Indonesia & PNG	Alcohol & Coffee
<ul style="list-style-type: none"> <li>• Water arrangements with TCCC</li> <li>• System growth plan with TCCC</li> <li>• Plans in place to introduce incidence pricing in 2017</li> <li>• Distribution arrangements with Monster</li> </ul> <div data-bbox="200 1029 353 1176"></div> <div data-bbox="372 1029 486 1176"></div>	<ul style="list-style-type: none"> <li>• Distribution arrangements with Monster</li> <li>• Strong relationship with TCCC</li> </ul> <div data-bbox="697 818 807 965"></div> <div data-bbox="676 1025 828 1176"></div>	<ul style="list-style-type: none"> <li>• US\$500 million equity injection from TCCC</li> <li>• Defined growth and return objectives</li> <li>• Strong governance arrangements with TCCC</li> </ul> <div data-bbox="1083 1029 1236 1176"></div>	<ul style="list-style-type: none"> <li>• New 10 year agreement with Molson Coors</li> <li>• 10 year agreement with Beam Suntory in Australia</li> <li>• Extended Beam Suntory relationship to New Zealand</li> </ul> <div data-bbox="1447 991 1715 1065"></div> <div data-bbox="1402 1090 1740 1158"></div>



# The Coca-Cola System is a unique model which continues to adapt

## Superior execution and strong bottling partners

### We Have a Set of Strong Assets to Build From

DYNAMIC BRAND PORTFOLIO	GREAT MARKETING	SUPERIOR EXECUTION
<ul style="list-style-type: none"> <li>20 Billion-Dollar Brands</li> <li>#1 in NARTD, Sparkling &amp; Still</li> <li>500+ Brands</li> </ul>	<ul style="list-style-type: none"> <li>Quality</li> <li>Quantity</li> <li>Strategy</li> </ul>	<ul style="list-style-type: none"> <li>24 Million Customer Outlets</li> <li>250 Bottling Partners</li> <li>16 Million Cold Drink Assets</li> </ul>

### We Are Transforming the Company and System



## Reshaping the Sparkling Beverages strategy and the potential in Still Beverages

### We Are Reshaping Our Sparkling Strategy for Sustainable Growth



### The Growth Potential Outside of Sparkling Remains Significant



## Understanding consumer trends and the one brand strategy – “Taste the Feeling”

### We Also Recognize that Consumer Preferences and Trends Are Shifting...



### Supported by a More Effective and Efficient “One Brand” Strategy

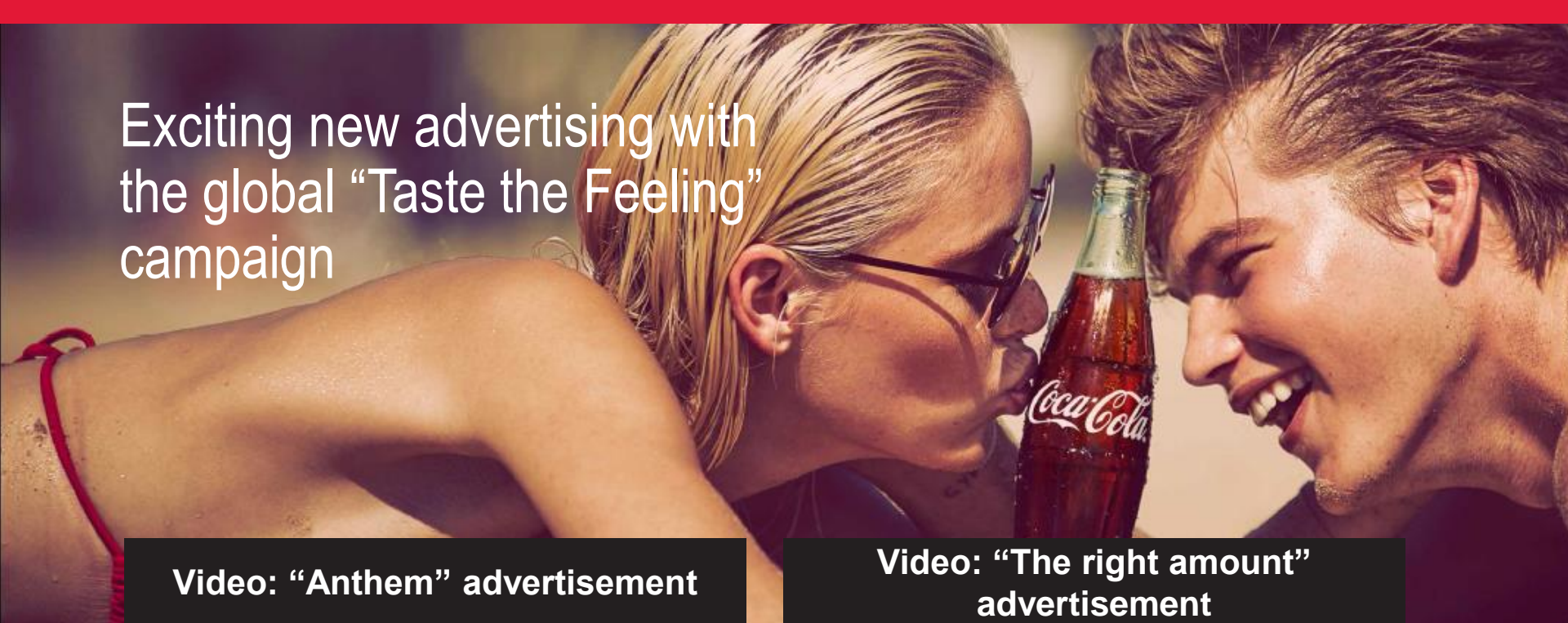


Source: TCCC Presentation September 2016

Source: TCCC Presentation September 2016

Source: TCCC Presentation February 2016

# Exciting new advertising with the global “Taste the Feeling” campaign



**Video: “Anthem” advertisement**



**Video: “The right amount” advertisement**





We are also developing strong relationships with Monster Energy, Beam Suntory, Molson Coors and other leading brands

### Monster Energy



### Alcohol Partners

*Beam* **SUNTORY**

**MOLSON** *Coors*

*Australian*  
**BEER CO**  
PROUDLY BREWED IN AUSTRALIA



**THE BOSTON BEER  
COMPANY INC.**

In 2014, we set clear objectives for our businesses, and are on track to deliver



Australia	New Zealand	Indonesia	Alcohol	SPC
Stabilise earnings and return to growth	Deliver steady earnings and volume growth	Expand our market to realise the market's potential	Continue to build our portfolio in Australia and New Zealand	Invest to restore SPC to a profitable, modern food business
Stabilisation on track, growth plan refreshed	On track	On track	On track	Investment on track, profitability challenged



We have many opportunities  
for future improvement and  
growth

## Australia

- Continue to rebalance the portfolio
- Create closer alignment with The Coca-Cola Company
- Identify and implement further cost optimisation initiatives

## New Zealand & Fiji

### New Zealand

- Deliver additional growth through incremental revenue and volume initiatives

### Fiji

- Continue to increase accessibility of products

## Indonesia & PNG

### Indonesia

- Continue implementing the strategy across the country
- Invest for today and tomorrow

### PNG

- Continue to increase accessibility of products

## Alcohol & Coffee

- Continue driving growth within each segment
- Identify and implement initiatives to grow volumes and relevance





We are focussed on delivering against the financial targets we set for 2015-2017

## Group EPS

- Targeting to maintain mid single-digit EPS growth levels
- Level of performance will depend on the success of revenue initiatives in Australia and Indonesian economic factors

## Capital Expenditure


- Group capex around \$300M pa during this business cycle
- 2016 capex expected to be around \$300M
- 2017 capex expected to be closer to \$375M which will include additional investment at Richlands in Queensland

## Dividend

- Continue to target medium term dividend payout ratio of over 80%

## Balance Sheet

- Balance Sheet to remain conservative with flexibility to fund future growth opportunities

A background photograph showing a group of people, mostly women, wearing red bucket hats and white long-sleeved shirts, participating in a beach cleanup activity. They are standing on a sandy beach with some buildings and trees in the background. One person in the foreground is seen from the back, wearing a red hat with 'BEACH CLEANING UNIT' written on it and a white shirt with a logo that says 'CARE FOR BALI'S BEACHES' and features a graphic of a person throwing trash into a bin.

# Our approach to sustainability will underpin our future performance

## Our People

We provide a safe, open, flexible and inclusive workplace where our people are energised by the opportunities they have.

## Wellbeing

We provide choices and the information consumers need to make their choice.

## Our Environment

We operate responsibly in all we do to minimise our impact on the environment and ensure we deliver a positive lasting legacy.

## Our Community

We partner with our communities to deliver a shared benefit from our presence.



# Continuing to work with The Coca-Cola Company to shape choice

## Shape choice



## Innovate



## Promote clear facts

Serving size: 390 mL			
Ave. Quantity	per Serving	%DI*	per 100 mL
Energy	596 kJ	7	153 kJ
	142 Cal	7	37 Cal
Protein	Less than 1 g	2	Less than 1 g
Fat, total	Less than 1 g	2	Less than 1 g
- saturated	0 g	0	0 g
Carbohydrates	33 g	11	8.5 g
- sugars	33 g	36	8.4 g
Sodium	29 mg	1	7.4 mg

\*% DAILY INTAKE PER SERVE IS BASED ON AN AVERAGE ADULT DIET OF 8700 KJ. YOUR DAILY INTAKE MAY BE HIGHER OR LOWER DEPENDING ON YOUR ENERGY NEEDS

## Marketing responsibly



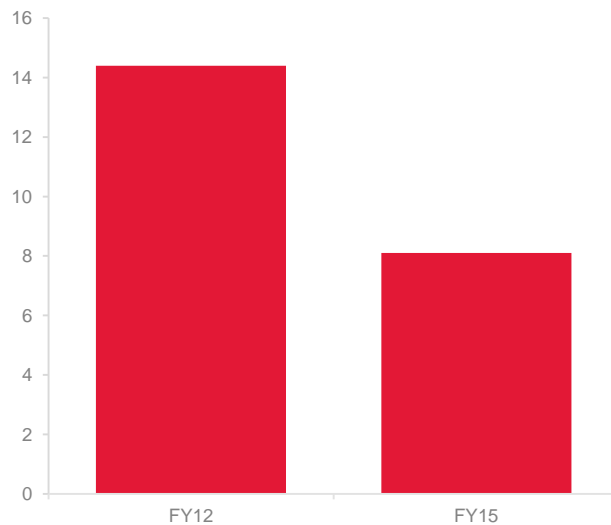
## Lead engagement



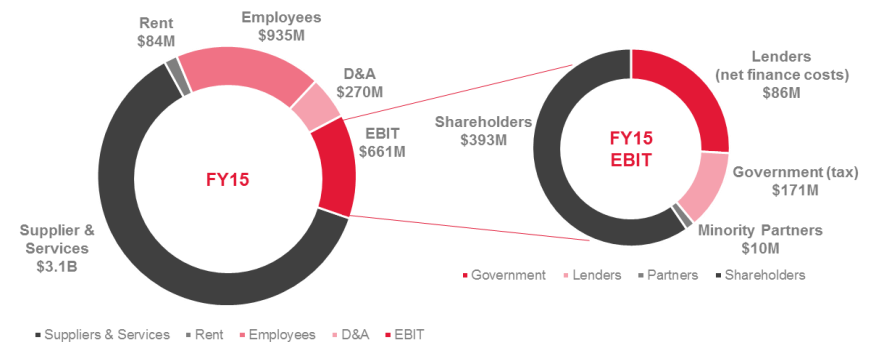
The safety of our people is paramount and we are proud of the contribution we make

## Safety

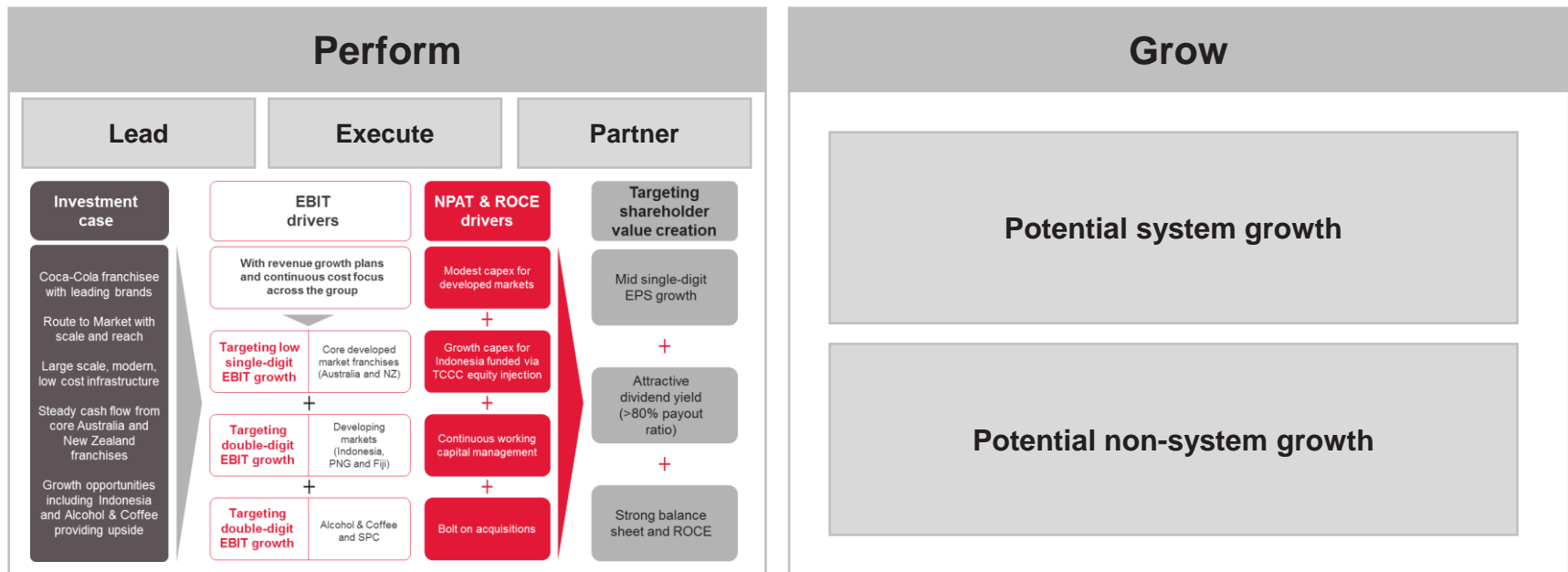
Annual Total Recordable Injury Frequency Rate (TRIFR)



## How we contribute



# We are delivering on our promises and have an eye to the future





# Indonesia & Papua New Guinea

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**Kadir Gunduz** | Managing Director Indonesia & PNG

**CCA**  
COCA-COLA AMATIL

# Indonesia & Papua New Guinea



**Indonesia is a developing market with strong growth potential**

**Operating environment continues to be challenging**

**Strong product portfolio supports our position to capture growth**

**Complex supply chain which we are now navigating**

**Video: Progress update**

**Accelerate growth to transform the business**

**Close alignment, greater focus, improved performance**

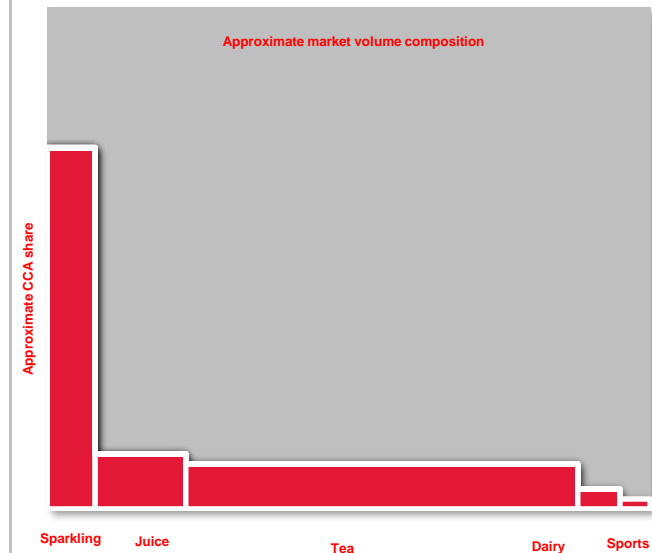
# Indonesia is a developing market with strong growth potential

## Expanding manufacturing footprint and distribution network



Production facilities	Production lines	Brands	Warehouses	Customers (approx.)	Employees (approx.)
8	37	9	8	720,000	11,000

## NARTD market<sup>(1)</sup>



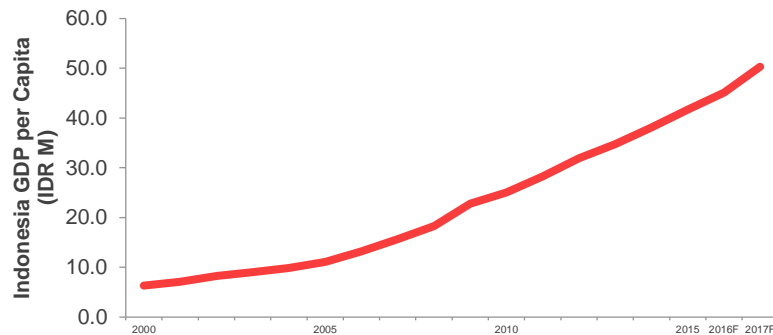
1. Sources: Source: Nielsen; internal estimates. Excludes water ~60% of the NARTD market. YTD 2016.

**Objective: Expand our market to realise the market's potential – accelerate to transform**

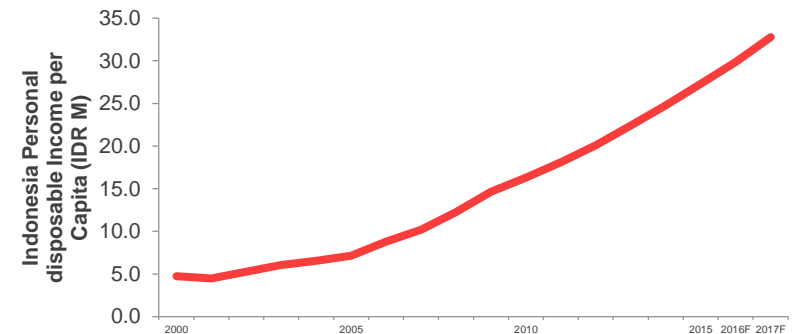


# Despite economic growth slowing in 2015, market and demographic fundamentals remain solid

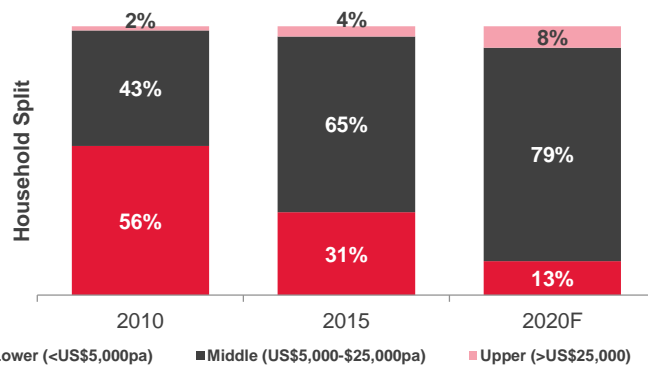
**GDP per capita – 13% CAGR since 2000**



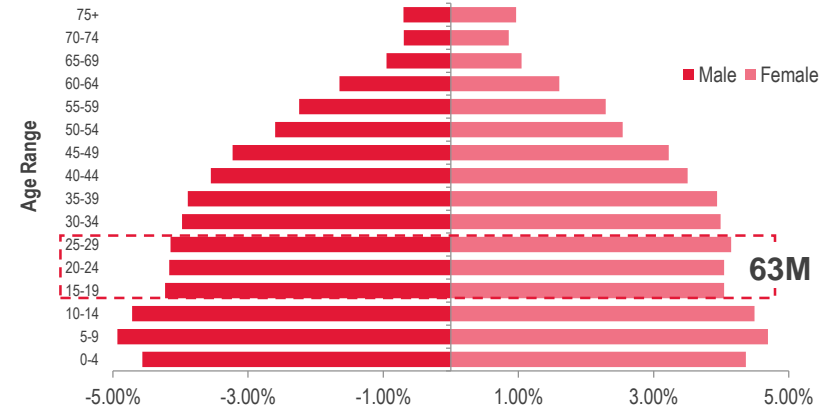
**Disposable income growth – 12% CAGR since 2000**



**Growing affluent and middle class**



**Favourable age demographic**





# Operational environment continues to be challenging and economic volatility is a factor in a developing market

## Competitive landscape

- The significant growth potential of the market has attracted many new payers across each of the key product categories

## Economic growth

- Economic growth in 2014 and 2015 was lower than would have been expected
- Starting to see signs of improvement
- Volatility in economic growth expected

## Inflation – tracking at approximately 3-4%



## Rupiah stabilising after 3 years of depreciation



**Regulatory risk also has the potential to create uncertainty**

# We have a strong product portfolio that supports our position to capture growth in the NARTD market

## Sparkling Beverages

### Colas



### Flavours



## Still Beverages

### Tea



### Juice



### Dairy



### Sports

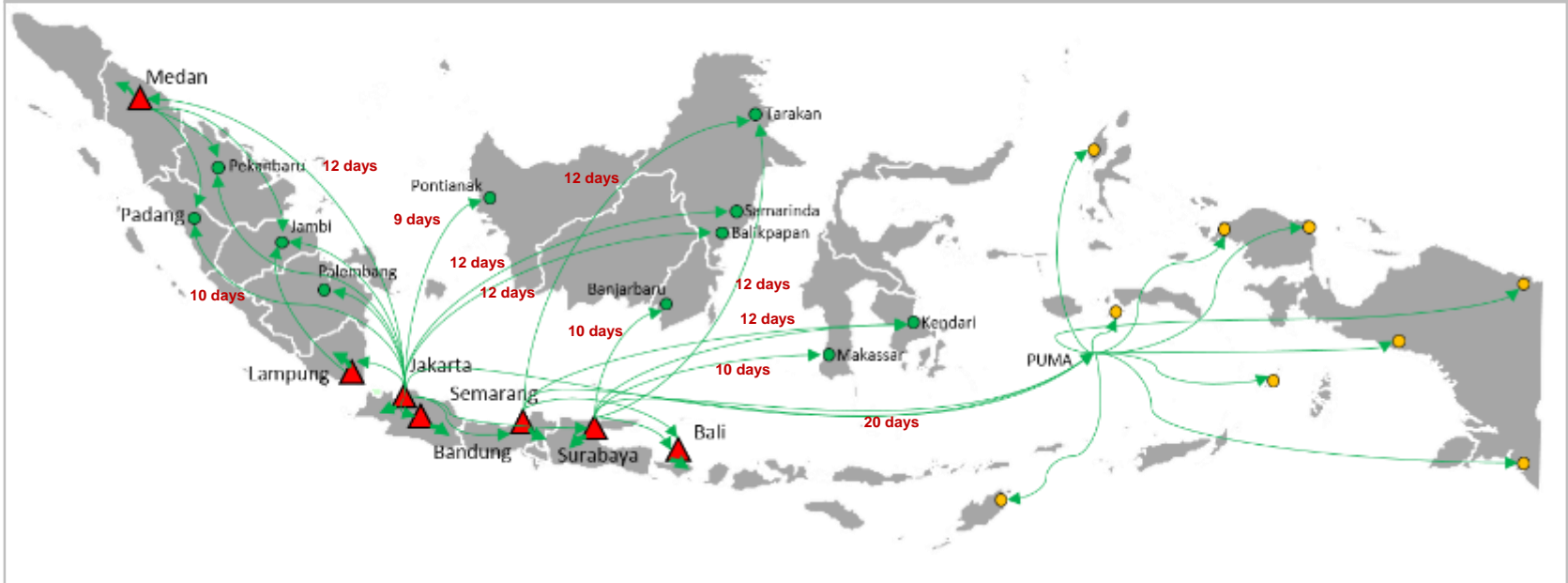


### Water



Indonesia has 17,500 islands which makes our supply chain complex

### Indonesia supply chain complexity



# Our transaction with The Coca-Cola Company established clear growth and return objectives for the business

## Long-term market leadership

- Targeting a strong market position (by volume and value) in sparkling beverages
- Targeting a market leadership position (by value) in NARTD
- Targeting above market volume growth for the next 10 years



## Economic returns

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



**Closer alignment, greater focus, improved performance → strong progress against the plan**

# And established an effective governance structure, creating even closer alignment

## Governance

### Board of Commissioners

- CCA: 3 nominees
- TCCC: 2 nominees

## President Director / CEO



**Kadir Gunduz**  
Managing Director,  
Indonesia & PNG

## Board of Commissioners



**Alison Watkins**  
CCA Group Managing  
Director



**Martyn Roberts**  
CCA Group Chief  
Financial Officer



**David Browning**  
CCA Head of Strategy



**Krishnakumar  
Thirumalai "KK"**  
TCCC Region Director  
India, Bangladesh, Sri  
Lanka and Nepal



**Atul Singh<sup>(1)</sup>**  
TCCC Chairman Asia  
Pacific Group

1. Atul Singh is retiring in March 2017.



# Our senior leadership team has significant system and developing markets experience



**Kadir Gunduz**  
Managing Director

25+ years system experience  
Turkey, Russia, Tanzania,  
Cambodia, Laos, Vietnam, Nepal,  
Sri Lanka, Middle East, North  
Africa, Iran, Indonesia, PNG

**Amit Singhal**  
Capability Development Manager

7+ years system  
experience  
India, Indonesia

**Edi Isdwiarto**  
Marketing Director

16+ years system  
experience  
Indonesia

**Bruce Waterfield**  
Business Services Director

27+ years system  
experience  
Australia, Indonesia,  
PNG

**Mark Payne**  
Sales Director

36+ years system  
experience  
Australia, Indonesia

**Deborah Nova**  
HR & IT Director

20+ years system  
experience  
Indonesia

**Patrick Pech**  
Research & Development Director

16+ years system  
experience  
Indonesia, Kenya, Sri  
Lanka, Cambodia,  
Morocco, Algeria

**Gigy Phillip**  
Supply Chain Director

20+ years system  
experience  
Australia, Indonesia,  
PNG

**Simon Unterberger**  
Corporate Planning Manager

8+ years system  
experience  
Australia, Indonesia,  
South Korea

**Lucia Karina**  
Public Affairs &  
Communications Director

1+ years system  
experience  
Indonesia

**Thomas Praming**  
Finance Director

5+ years system  
experience  
Middle East, North  
Africa, Indonesia, PNG

# We are accelerating growth to transform the business

## Focus – how we've changed our strategy



## Strategic priorities – what we said we'd do

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

**Strong progress across all strategic priorities and enablers**

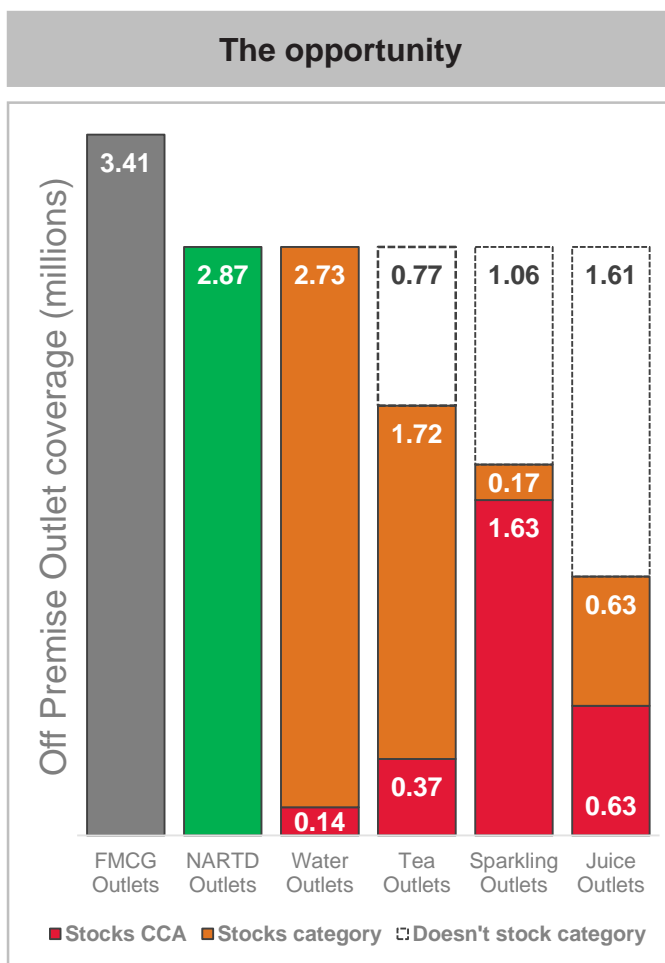
# We are pleased with our progress since 2014

## Video: “Accelerate to Transform”



# Strategic Priority 1

## Improve product availability



Our approach	Progress
Undertake significant market insights research – proprietary knowledge database	1M+ outlets surveyed Outlet base increased by >120K outlets in ~21 months
Establish third party warehousing / distribution network (“CCODs”)	82 CCODs territories will be established by end 2016
Rationalise our network	42 distribution centres will be closed by end 2016
Expand salesforce Increase productivity and capability	700+ new sales roles Sales Training Academy
Rollout cold drink equipment	~111K new coolers rolled out Continued cooler placement drive
<b>Route-to-market program</b>	<b>Java will be completed 2016 Bali &amp; Sumatera commence 2017</b>

## Strategic Priority 2 Increase affordability

### Sparkling Beverages affordability



Product	Price
Price Rebase 1.5L	<del>IDR 15,000</del> IDR 11,000
Price Rebase 1.0L PET	<del>IDR 10,000</del> IDR 9,000
425ml PET	IDR 5,000
New packaging 390ml PET	IDR 4,000
New packaging 250ml PET	IDR 3,000

Price reset and introduction of new pack sizes is gaining traction

### Still Beverages affordability



Product	Price
New packaging 300ml cup	IDR 2,000
New packaging 350ml PET	IDR 4,000
New packaging 900ml PET	
New packaging 750ml PET	
New Flavour Minute Maid Pulp Apple Crush	

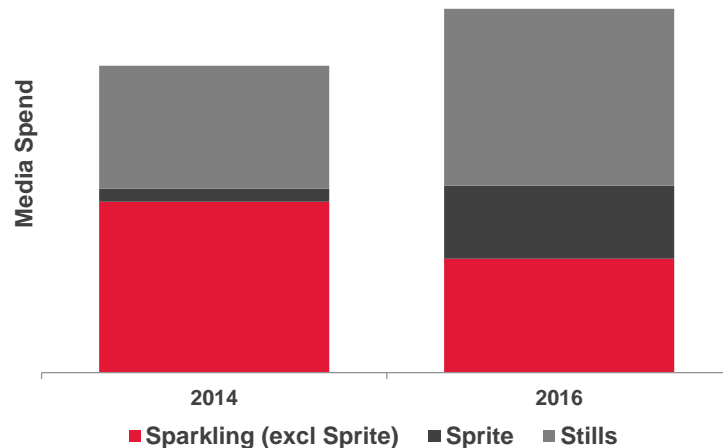
New pack sizes, new packaging and new products



## Strategic Priority 3

# Build brand strength

### Media spend has been increased



### Category and brand building

#### Advertising: showcasing consumption occasions

#### Sparkling – increase relevance and occasions

- Global one brand campaign – “Taste the Feeling”
- Special packs for Ramadan
- Increased weighting of marketing to Sprite

#### Juice – building a mega brand foundation

- Minute Maid Pulpy: best fruit pulp experience
- Minute Maid Nutriboost: awareness and trail and launch of multiserve pack

#### Tea – differentiate offering

- Introduced recruitment packs and flavour options
- New multiserve packaging

# Strategic Priority 4

## Build channel relevance

Product  
range

Price / pack  
architecture

Delivery  
frequency

Call type &  
frequency

Cooler  
availability

In-store  
execution

Promotional  
programs

### Modern Trade

Hypermarkets



Supermarkets



Minimarkets



### Traditional Trade

Pushcarts



Provision



Wholesalers



# Enabler Highlight

## Cost competitiveness

Headcount optimisation & labour productivity gains	Operating efficiency	Safety & hazard identification	Logistics efficiencies
<ul style="list-style-type: none"><li>• Added 700+ sales roles</li><li>• Overall net reduction ~1,800</li><li>• Significant labour productivity gains</li></ul>	<ul style="list-style-type: none"><li>• System enhancements has led to improved operating efficiency</li></ul>	<ul style="list-style-type: none"><li>• Injury Frequency Rate (TRIFR) improvement</li><li>• Reduction in consumer complaints</li><li>• Reduction in out of stocks</li></ul>	<ul style="list-style-type: none"><li>• Logistics function transforming in line with the route-to-market program</li><li>• Significant reduction in handling rates</li></ul>

**Our strategy is supported by implementing a range of productivity and efficiency programs across the business to improve competitiveness**

# Enabler Highlight

## Capability development

### Training Academies

Sales Technical  
Academy

Logistics  
Technical  
Academy

Supply Chain  
Technical  
Academy

OHS Technical  
Academy

CDE Technical  
Academy

Finance & HR  
Technical  
Academy

### Leadership

#### Leadership Framework



#### Tailored Leadership Programs



**Our strategy is supported by a strong focus on developing our people and our leadership capabilities**

A woman with long brown hair, wearing a red dress with white polka dots and a white ruffled collar, is holding a silver tray with three condensation-covered glass bottles of Coca-Cola. The background is a blurred outdoor setting. A large red circle is overlaid on the image, containing the title and company information.

# Australian Beverages

Barry O'Connell | Managing Director Australian Beverages

**CCA**  
COCA-COLA AMATIL



# Australian Beverages

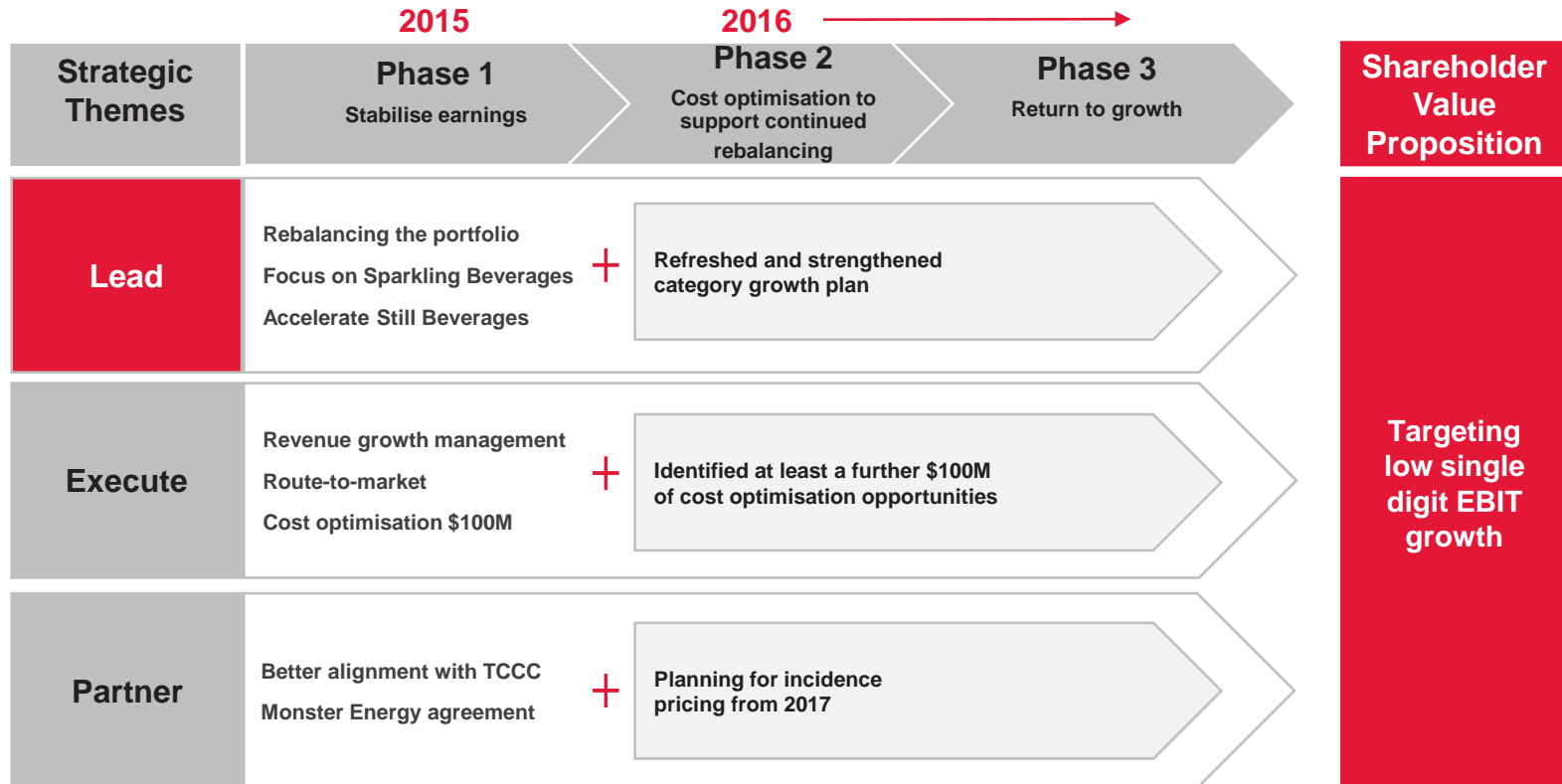


**Implementing our strategy in three phases**

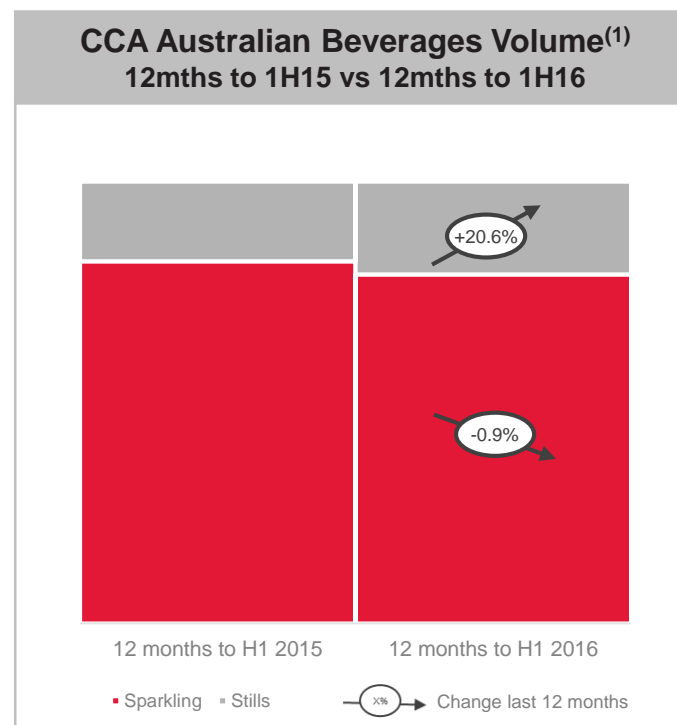
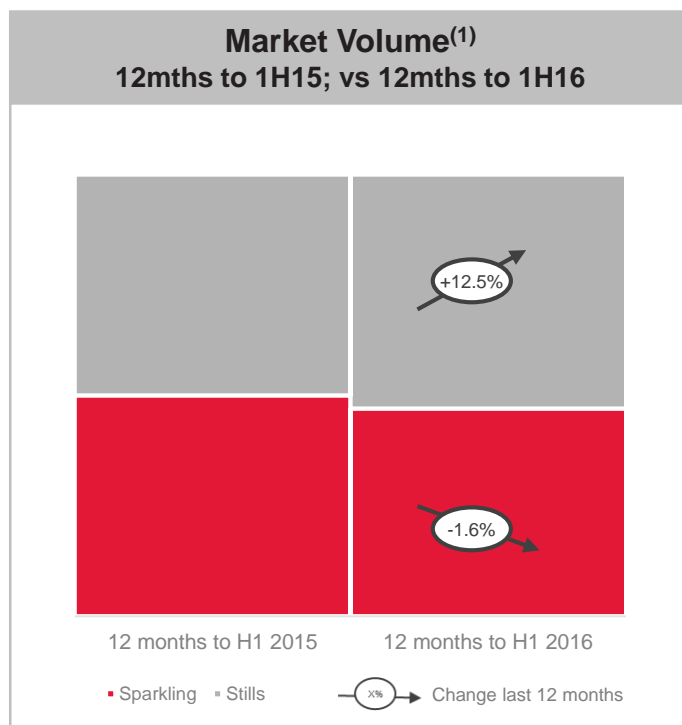
**Progress updates on strategic themes**

- **Lead**
- **Execute**
- **Partner**







# We are implementing our strategy in three phases



# Rebalancing our portfolio has begun as category demand shifts from Sparkling to Still Beverages



# With many of the building blocks now in place, we are confident of Coca-Cola's return to growth

Shaping choice	Rebuilding brand affinity	Premium packs	Perfect portion size	Product innovation	One Brand
First step in a multi-phase stevia strategy	New global "Taste the Feeling" campaign	Acceleration of high revenue packs	Optimised pack & portion size	Pipeline of new flavours for Coca-Cola	New look under one integrated brand
					

# Meanwhile, we are leading the way to re-invent the flavoured sparkling category

## TCCC Flavoured sparkling

### Sustained advertising support



### Kilojoule reduction

Servings per package: 1 Serving size: 390 mL			
Ave. Quantity	per Serving	%DI*	per 100 mL
Energy	596 kJ	7	153 kJ
	142 Cal	7	37 Cal
Protein	Less than 1 g	2	Less than 1 g
Fat, total	Less than 1 g	1	Less than 1 g
- saturated	0 g	0	0 g
Carbohydrates	33 g	11	8.5 g
- sugars	33 g	36	8.4 g
Sodium	29 mg	1	7.4 mg

\*% DAILY INTAKE PER SERVE IS BASED ON AN AVERAGE ADULT DIET OF 8700 KJ. YOUR DAILY INTAKE MAY BE HIGHER OR LOWER DEPENDING ON YOUR ENERGY NEEDS

### Re-igniting key segments



### Product innovation



### Brand innovation



### Naturally lower sugar, soft drink organic juice



*25% Less Sugar.*

78 CALORIES OR LESS PER BOTTLE

No artificial COLOURS, FLAVOURS & SWEETENERS

Sparkling Made Naturally: **NATURALLY VIVID FLAVOURS**

a *Delicious* *refreshing* *Organic Juice*

and a GREAT NEW NATURAL LOOK

DEEP SPRING is *BETTER THAN EVER.*

### New sophisticated soft drink tailored to the adult palette





# We are changing the way consumers view the water and enhanced hydration categories

## Sports functional efficacy

Leading functional benefits supported by asset based marketing



## The Nation's Hydration

Breaking the mould of typical water advertising to make Mount Franklin the Nation's own



## The "non-boring" water

Availability, flavour expansion and new advertising to maximise sparkling opportunity



## Capturing coconut water

Accelerating growth (~60% YTD) through availability and new flavours



## New generation "Smartwater"

Driving category value growth by expanding the enhanced water segment



# And challenging the traditional approach to under-exploited Still Beverages categories

## Energy



A new energy partner with a huge pipeline of innovation and marketing assets

## Value Added Dairy



Still the only brand with potential for national distribution - now with a solid innovation pipeline for 2017 and beyond

## Iced Tea



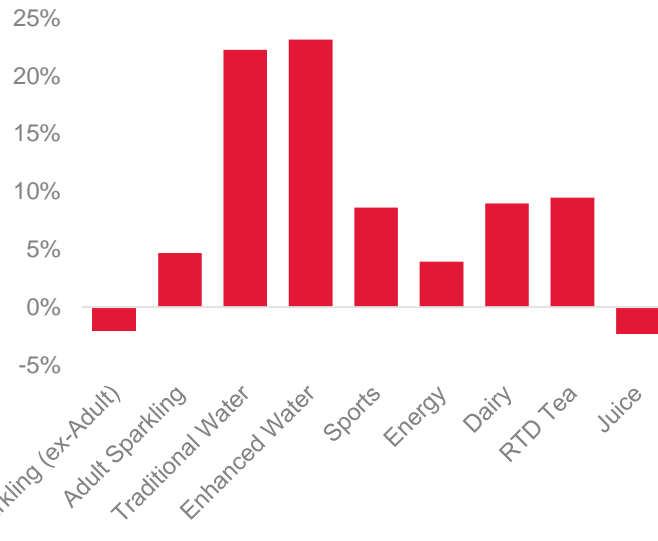
Making the category more accessible through lower sugar and non-traditional flavours

# Our growth in Still Beverages is orientated towards higher net sales revenue per case categories



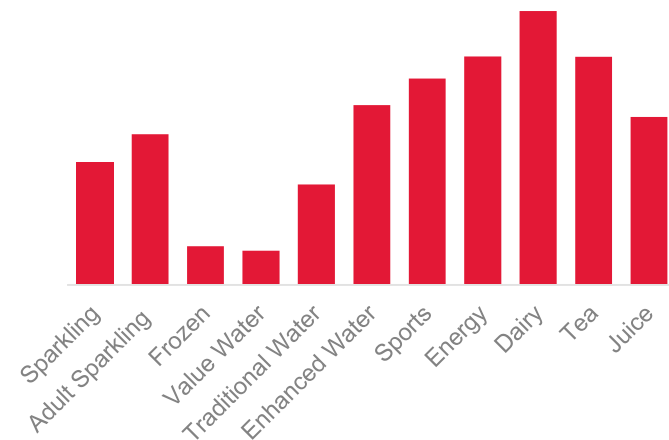
**Market Volume 2014 – 2016  
Shifting category demand**

Market volume 2 year compound annual growth rate<sup>(1)</sup>



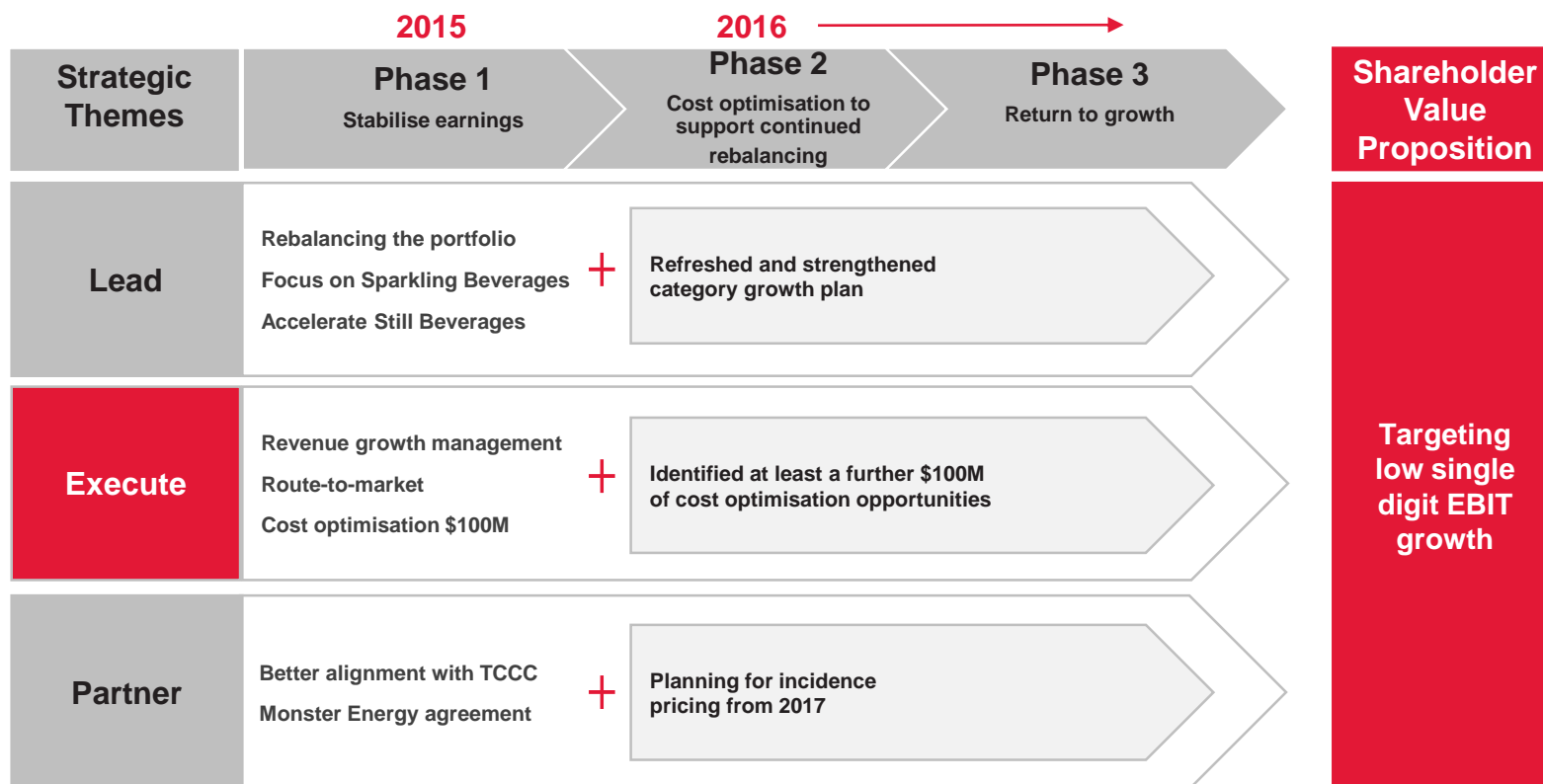
**Coca-Cola Amatil 1H16  
Average Revenue Per Case**

Indexed to Sparkling Beverages<sup>(2)</sup>



1. Market data. Combined Grocery and Convenience scan data (Australian Grocery Weighted and AU Convenience scan).
2. Coca-Cola Amatil data, based on average revenue per case for the 6 months to 30 June 2016, excluding Neverfail.

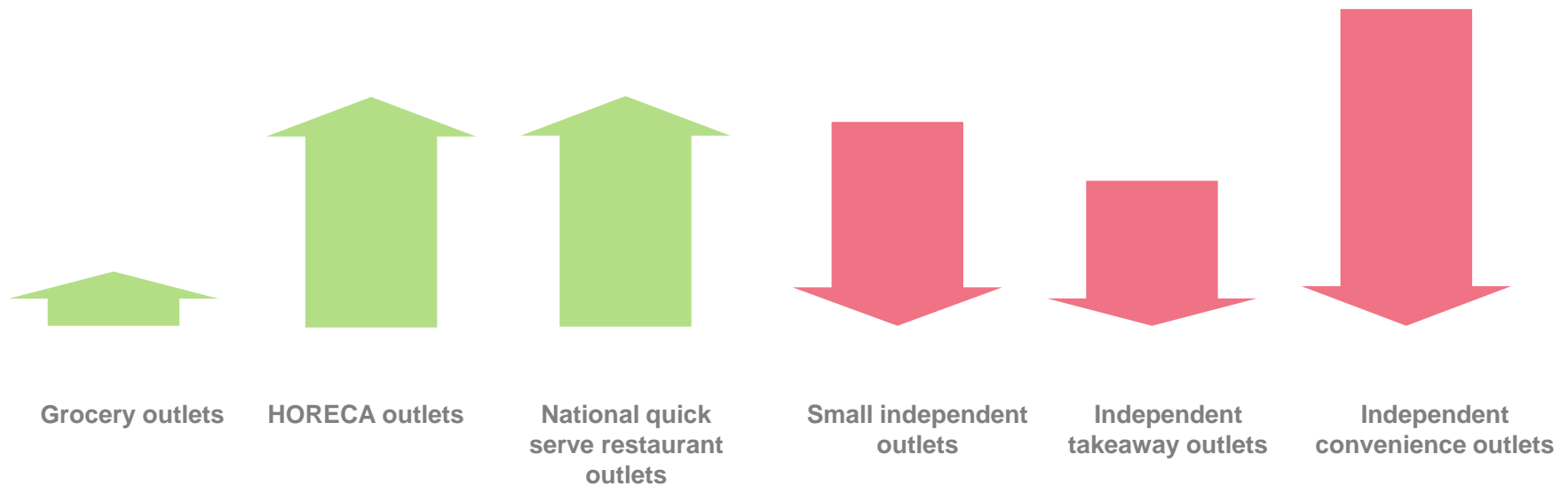
# We are implementing our strategy in three phases



We will need to continue adapting our route-to-market approach as channel mix continues to evolve



YTD Outlet Count % Change vs PY



# We are driving systemised, structural improvements to secure sustained revenue growth

## Promotional Optimisation

- Utilising data and analytics led promotional design optimisation

### Pricing



### Elasticity



**+2.2%**  
improvement in volume return on  
promotional investment

\* YTD September 2016 vs YTD September 15 (applicable channels)

## Portfolio-based Contracts

- Delivering compelling portfolio offers to customers
- Incentivising ranging and activation

### Channel



### Targeted Approach



**16.6%pts**  
better net contribution performance  
contracted vs promotional customers

\* YTD September 2016

## Pack Architecture

- Accelerated glass, mini cans and cold drink packs
- Three pack single serve architecture with optimised size and price partitions

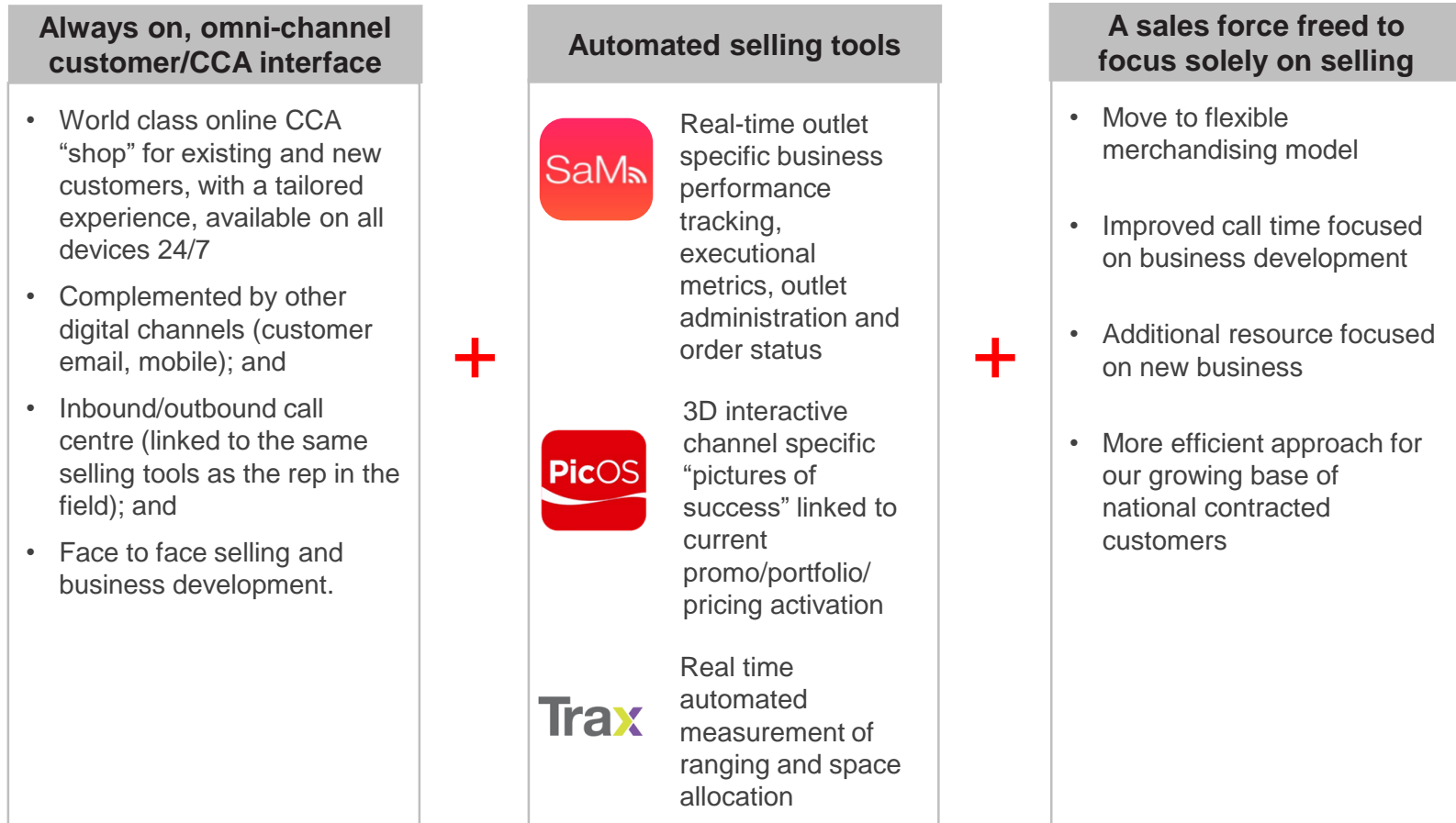


**+3.3%pts**  
better net contribution where 3 pack  
available\*

\* vs outlets where 3 pack is not available (since 250ml PET launch)



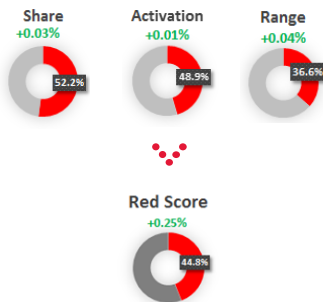
# Powered by digital sales tools, we are dramatically improving selling power and customer experience



# Our new sales model is yielding positive initial results ahead of an accelerated roll-out

## Business Development

~20% more time in outlet focused on business development driving improved ranging and activation



**+5.8%pt**  
improvement in RED score  
in last 6 months

## New Business

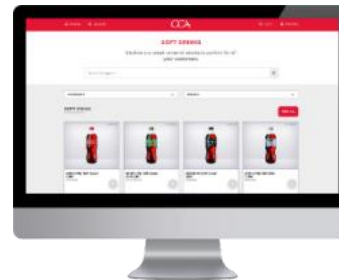
Winning new business including large, high value operational accounts



**1,265**  
new high value Gold &  
Silver customers YTD

## Digital Migration

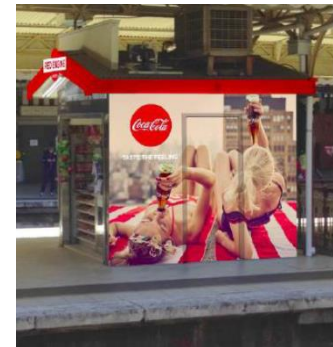
Online orders reached ~46% by September. On track to surpass 50% by year end



**+18.2%pt**  
improvement vs prior year

## Winning Precincts

Concentrated focus in key precincts to win every outlet across range, price, activation



**+4.2%pt**  
better RED score versus non  
precinct outlets

# Our \$100M cost optimisation target set in 2014 will be delivered in FY16



## \$100M cost optimisation target set in 2014 will be delivered in FY16

- Savings were as anticipated:
  - ~1/3 supply chain optimisation (eg Bayswater closure)
  - ~1/3 procurement optimisation (eg packaging)
  - ~1/3 support services optimisation
- Approximately 50:50 between cost of goods sold and indirects

## Lead Performance Indicators

### Safety

**6.5ppts**

improvement in TRIFR  
year to date

### Logistics

**0.5ppts**

improvement in  
DIFOTAL year to date

### Consumers

**14.3%**

reduction in consumer  
complaints year to date

### Manufacturing

**3.3ppts**

improvement in  
efficiency year to date

**Reinvested in brand development and price to support our leadership position and to enhance our capabilities**

**Lead performance indicators continue to improve**

We have identified at least a further \$100M of cost optimisation opportunities to be delivered over the next three years



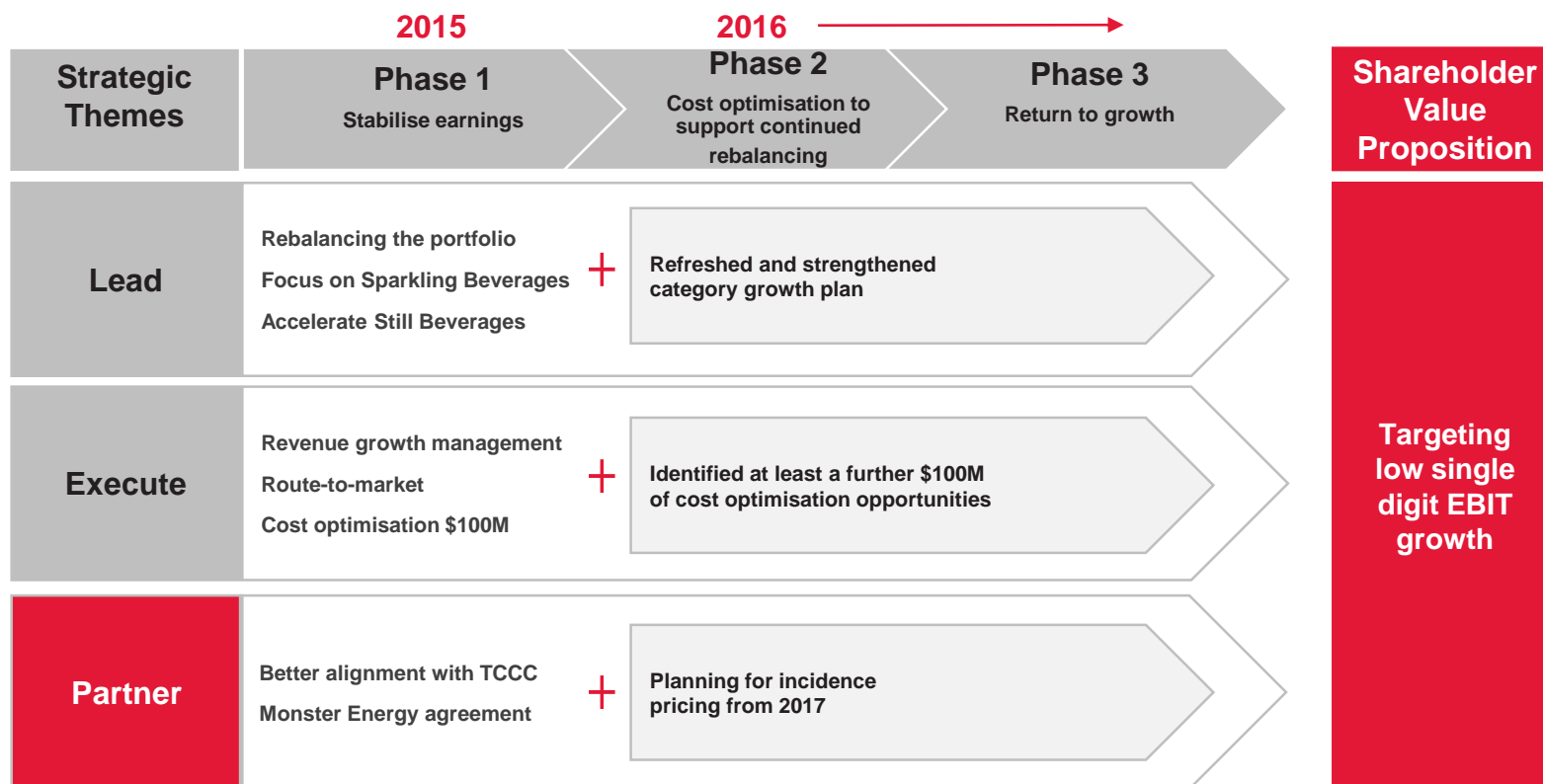
Transformation Office	Focus Areas	Reinvestment	Funding & Implications
<ul style="list-style-type: none"> <li>Transformation Office established in early 2016</li> <li>Over 300 initiatives identified across the business</li> <li>Early stages of implementing a number of initiatives</li> </ul>	<p><b>“Supply chain of the Future”</b></p> <ul style="list-style-type: none"> <li>Richlands automation</li> <li>Business Excellence program</li> <li>Grid optimisation</li> </ul> <p><b>Outsourcing merchandising and salesforce restructure</b></p> <p><b>Procurement optimisation</b></p> <p><b>Support services optimisation</b></p>	<ul style="list-style-type: none"> <li>“Salesforce of the Future”</li> <li>Continued rebalancing of the portfolio through innovation</li> <li>Additional marketing</li> <li>Price investment</li> </ul>	<ul style="list-style-type: none"> <li>Expecting ~\$50M of restructuring costs and \$75M of capex in 2017</li> <li>Targeting to offset restructuring costs with potential sale and leaseback arrangements</li> </ul>

**This will underpin our return to revenue growth to support Australian Beverages’ delivering its target of low single digit EBIT growth**

# Significant cost optimisation opportunities in “Supply Chain of the Future”

<b>Richlands New Automated Warehouse</b>	<b>Business Excellence program</b>	<b>Grid Optimisation review</b>
<p><b>~\$75M investment</b></p> <ul style="list-style-type: none"> <li>• Currently leasing offsite warehouse</li> <li>• Capex to build new fully automated warehouse on the site of existing manufacturing plant</li> </ul> <p><b>Targeting</b></p> <ul style="list-style-type: none"> <li>• Reduction in handling costs</li> <li>• Reduction in warehouse operating costs</li> <li>• Reduction in truck movements</li> </ul>	<ul style="list-style-type: none"> <li>• National approach to supply chain</li> <li>• Standardised routines</li> <li>• Optimised systems and operating procedures</li> <li>• Continued focus on safety, quality and efficiency</li> <li>• Investing in technology platforms to track and measure our lean journey to world class</li> </ul>	<p><b>Commenced assessment of:</b></p> <ul style="list-style-type: none"> <li>• Production sourcing optimisation</li> <li>• Fit for purpose manufacturing footprint</li> <li>• Enhanced capability to support portfolio rebalancing</li> <li>• Logistics optimisation</li> </ul>

# We are implementing our strategy in three phases





# We are better aligned with The Coca-Cola Company and have established a partnership with Monster Energy

## The Coca-Cola Company

### Water arrangements

- In place from 2016
- Significantly improved alignment in the category



### Incidence pricing

- Plans in place to introduce in 2017

## Monster Energy

### Agreement from May 2016



### Penetration

**40%**

increase in outlet penetration  
in only four months

# Incidence pricing will align the system to grow revenue

## Planning for incidence pricing to be introduced in 2017

Concentrate pricing  
based on price per litre



Concentrate pricing based on  
a percentage of revenue

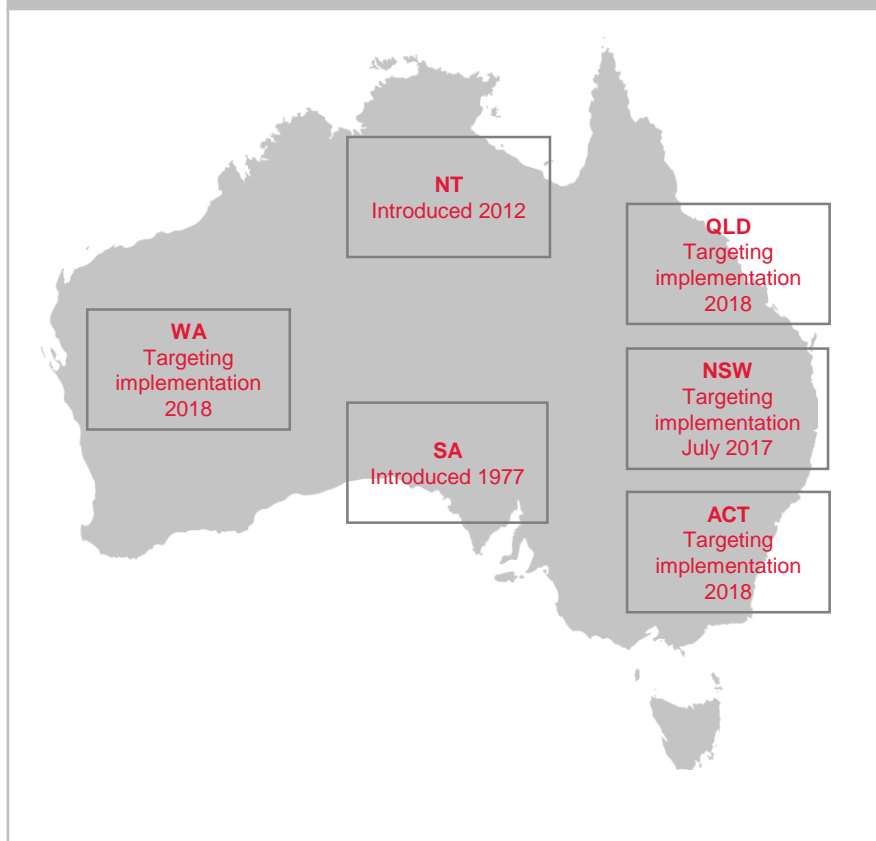


## Benefits

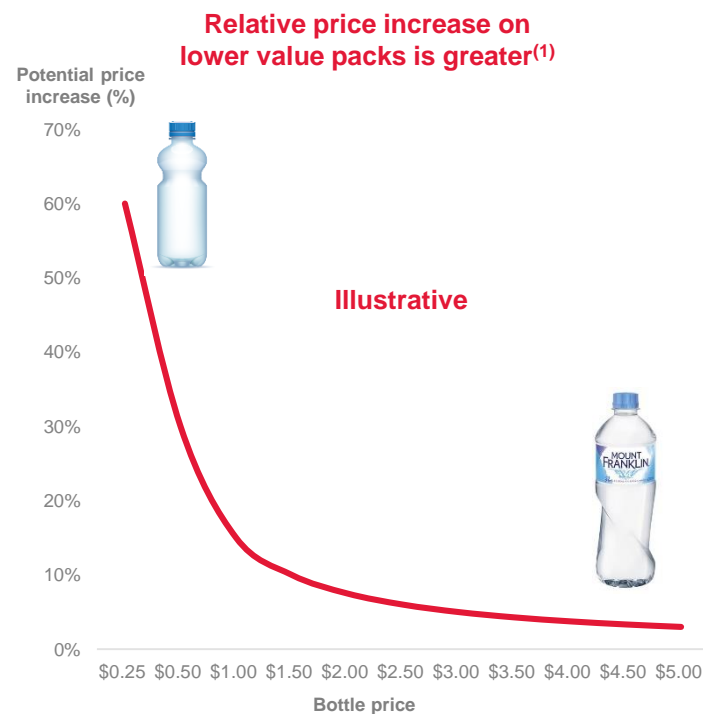
- Better economic alignment between pack sizes
- Revenue and volume growth focus rather than revenue or volume growth only
- System can be more responsive to the market
- Improved decision making
- Most developed markets already operate on a similar arrangement

# We are engaging with all stakeholders in preparation for the implementation of container deposit schemes

## Container deposit schemes

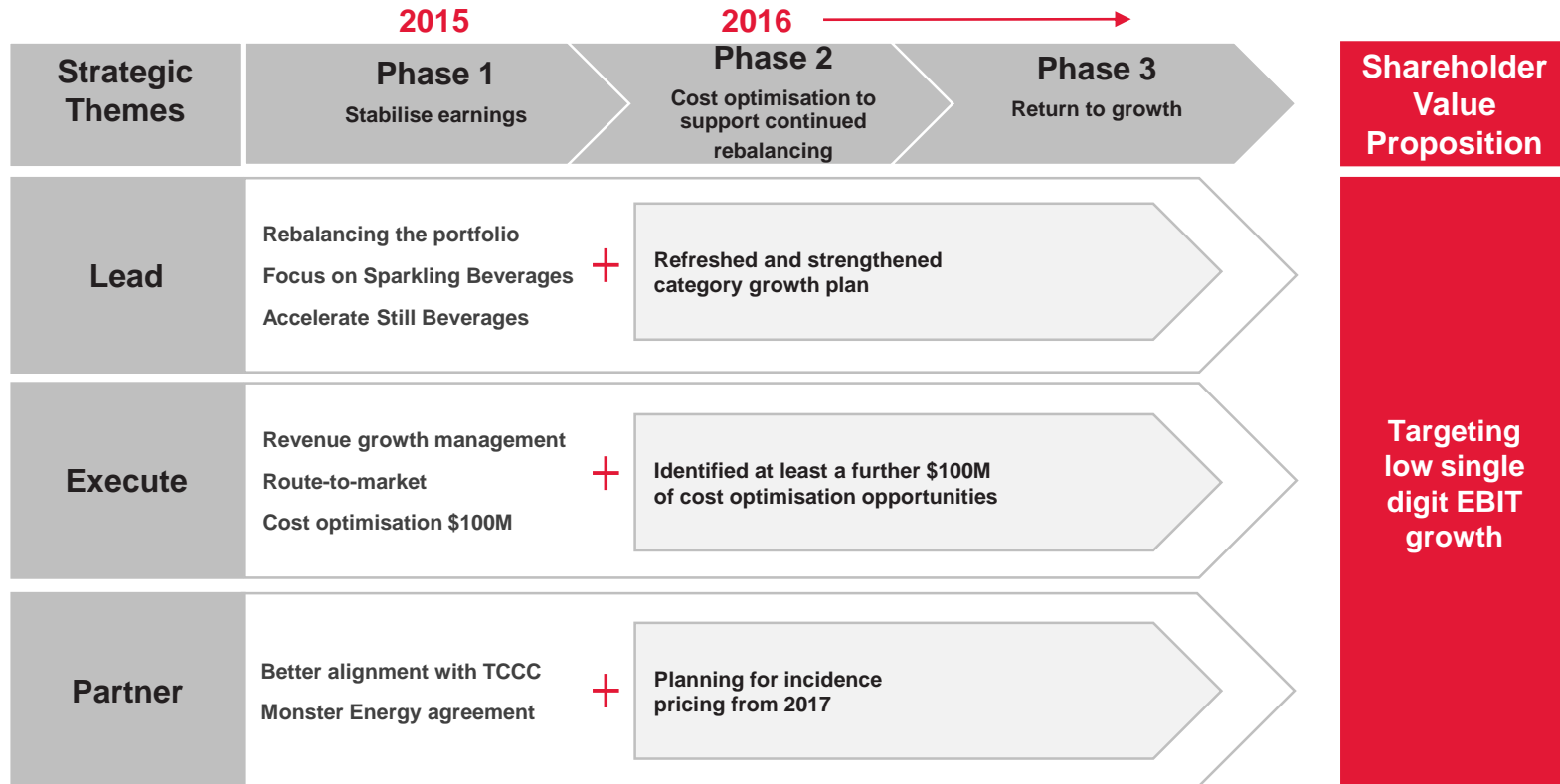


## Potential pricing impact<sup>(1)</sup>



1. Illustrative example using 10 cent deposit and 5 cent handling and administration fee. Assumes all fees passed on to the consumer.

# We are implementing our strategy in three phases





# New Zealand & Fiji

---

Chris Litchfield | Managing Director New Zealand & Fiji

**CCA**  
COCA-COLA AMATIL



# We have articulated a clear vision for the business which drives performance and engagement

Our vision is set and our progress is strong

## New Zealand

## Fiji

LEAD

E  
X  
E  
C  
U  
T  
E

PARTNER



Targeting low single  
digit EBIT growth

DELIVERING  
TODAY

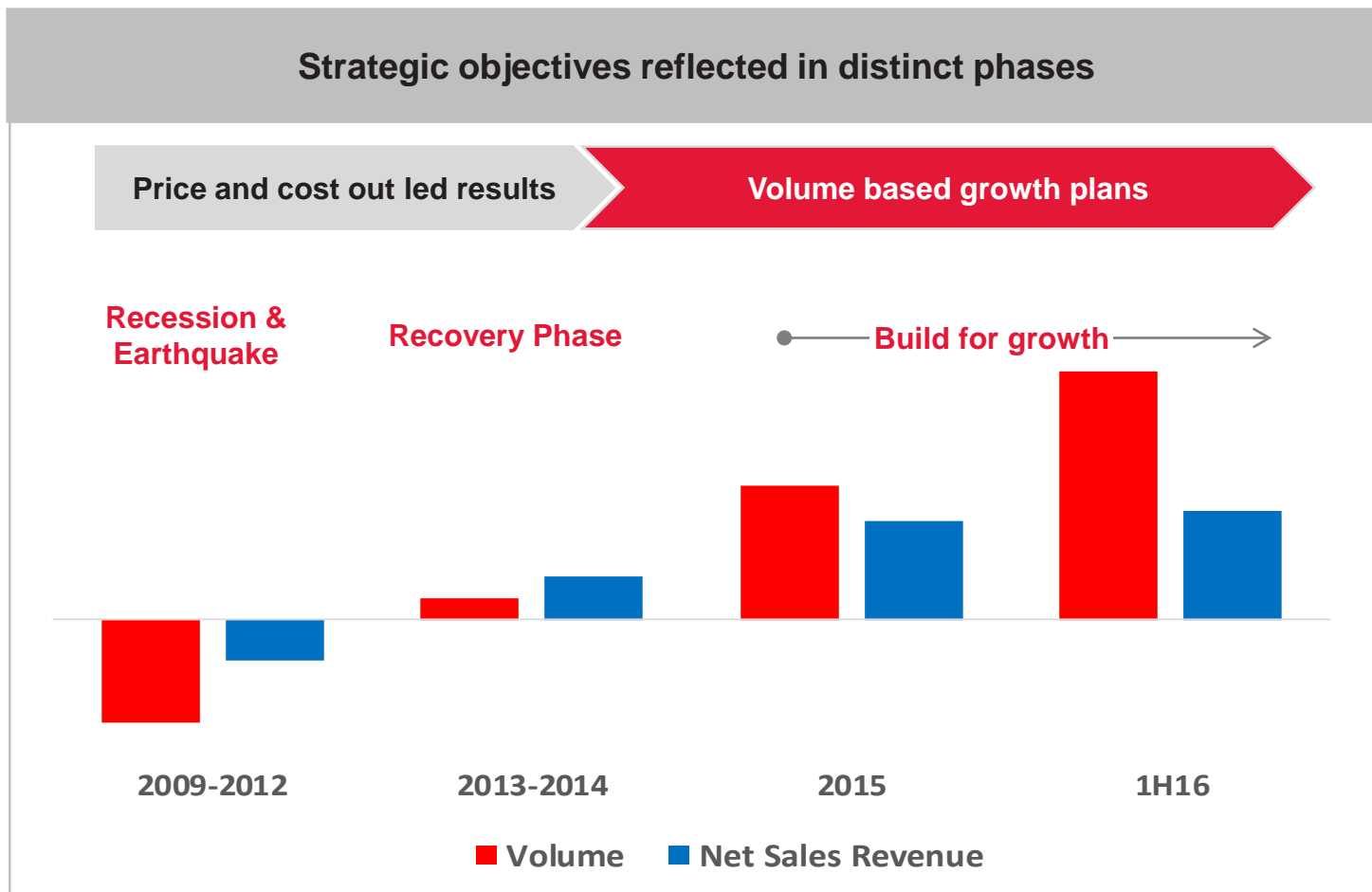


Targeting double digit  
EBIT growth

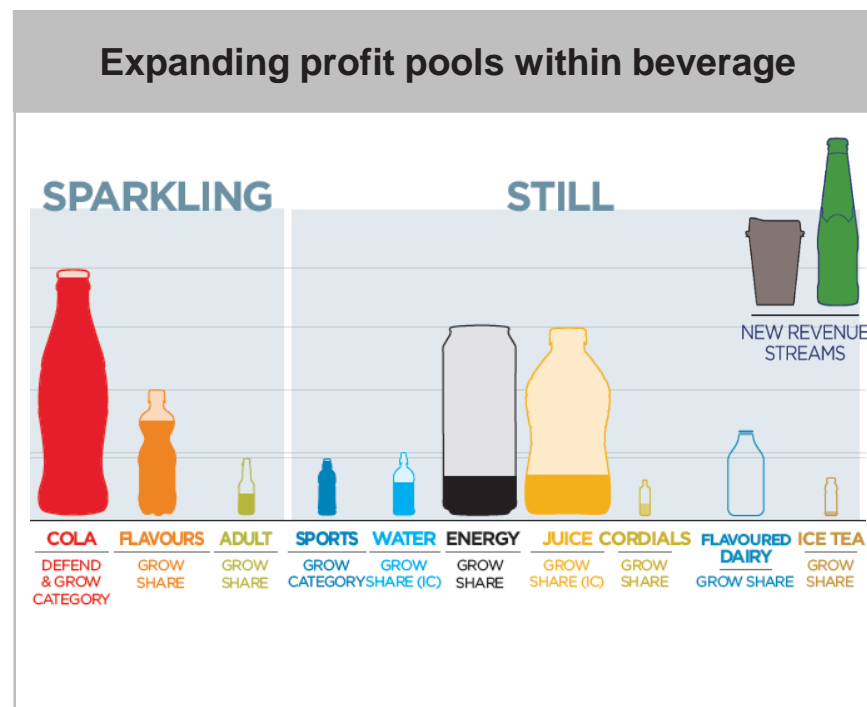
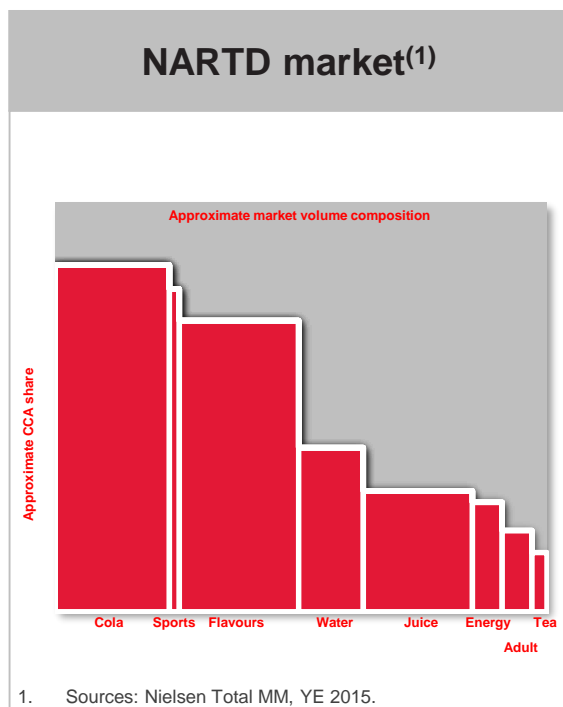
BUILDING  
TOMORROW



# We are delivering on our objective of volume based growth



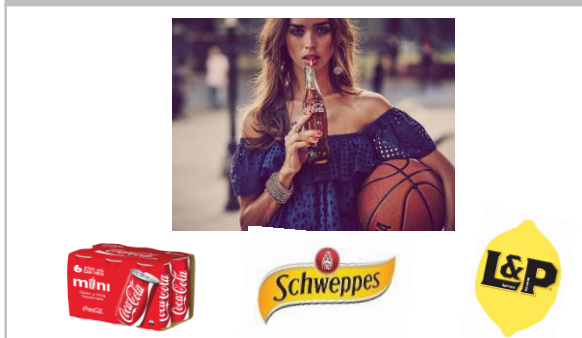
# We continue to have strong positions across Sparkling and Still Beverages with significant growth potential



# We are pleased with progress against our strategy since 2014



## Grow Sparkling Beverages Transactions



↑ Transactions growing faster than Volume

## Accelerate Still Beverages



↑ Almost Double Digit Volume growth

## Route to market



↑ Improved Execution Metrics (RED)

Safe & Engaged People, Proudly Inclusive, Fast, Flexible & Efficient

**ZERO HARM**  
THINKSAFE + WORKSAFE = HOMESAFE

**Aon**  
**BEST EMPLOYERS**  
AUSTRALIA & NEW ZEALAND | 2016

# Continue to drive Sparkling Beverages transaction growth, innovating to shape choice across the portfolio in pack and product

Shaping choice	Rebuilding brand affinity	Premium packs	Perfect portion size	Product innovation	One Brand
<p>First step in a multi-phase stevia strategy</p> 	<p>New global “Taste the Feeling” campaign</p> 	<p>Acceleration of high revenue packs</p> 	<p>Optimised pack &amp; portion size</p> 	<p>Pipeline of new flavours for Coca-Cola</p> 	<p>New look under one integrated brand</p> 

Continue accelerating Still Beverage volumes via investment in product and packaging, portfolio expansion and brand equity

## Still Beverages





# MOST organic juice brand delivering relevance and growth in the café and restaurant channel

## MOST Juice



## Snapshot

- Targeting café / restaurant outlets
- Addresses Retailer desires of Organic and Provenance
- Penetration of Café Channel up over 30% post launch
- Portfolio approach securing cooler placement and range expansion





# We have made a significant investment in a new juice and sports manufacturing facility

## Video: Keri



## Snapshot

- Plant consolidation from four sites to one
- Improved operational efficiency & increased productivity
- Capacity – 800,000 per day
- Capability – Powerade fast flow bottle and improved juice quality



# We are investing in service and capability to expand our retailer partners across multiple channels



## Customer promise



- ✓ Right Pack
- ✓ Right Price
- ✓ Every Time

## Marketing assets



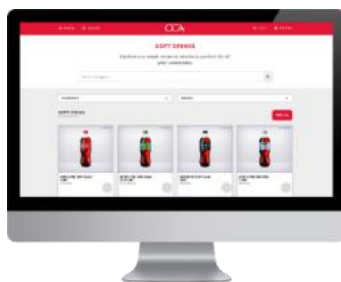
## DOORS

8% increase  
in coolers

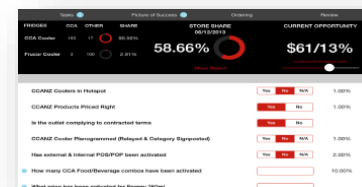
## STORES

7% increase  
in Customers

## Service model



## Field capability



Customer MIX  
Convenience >  
50% mix

CUSTOMER  
NPS score  
33 to 62\*

\*NPS YTD June

We have a strongly aligned relationship with  
The Coca-Cola Company and our other partners



### The Coca-Cola Company

Strong relationship and  
alignment



### Monster Energy

Distribution agreement since  
May 2016



# Our Journey continues...

Our vision is set and our progress is strong

## New Zealand

LEAD

E  
X  
E  
C  
U  
T  
E

PARTNER



Targeting low single digit EBIT growth

## Fiji

DELIVERING  
TODAY



BUILDING  
TOMORROW

Targeting double digit EBIT growth





# Alcohol & Coffee

Shane Richardson | Managing Director Alcohol & Coffee

CCA  
COCA-COLA AMATIL

Australian  
BEER CO

**YENDA**

Wakley Road Yenda NSW 2681

Born in the rural village of Yenda, comes a craft beer range that delivers exactly what's on the label.



f Facebook/YendaBeer t Twitter/YendaBeer i Instagram/YendaBeer



# Alcohol & Coffee



**Developing strong relationships with partners and owned businesses**

**Developing a quality portfolio across alcohol and coffee**

**Significant progress since 2014**

**Category overviews**

- **Spirits & RTDs**
- **Paradise Beverages**
- **Beer**
- **Cider & Bitters**



# Developing strong relationships with exceptional partners and owned businesses



## Spirits & RTDs

Bottled spirits and ready-to-drink spirit based beverages



## Paradise Beverages Fiji

Domestic beers and spirits with export potential



## Beer & Cider

International beers, craft beers, cider based beverages



## Coffee

Coffee beans and capsules



# Developing a quality portfolio across alcohol and coffee categories

## Spirits & RTDs



## Paradise Beverages Fiji



## Beer, Cider & Bitters



## Coffee



Range complemented by strong Sparkling and Still Beverage portfolio

# We are pleased with our progress since 2014



## Spirits & RTDs

- Innovate to grow



## Paradise Beverages Fiji

- Domestic innovation driving value growth
- Strong export market opportunity



## Beer, Cider & Bitters

- Continue to re-establish presence
- Aggressively grow in targeted segments



## Coffee

- Brand lead growth strategy delivering strong results



- New long term partnership agreement with Beam Suntory
- Expanded spirit range with significant innovation in RTD
- Unrivalled yet under developed premium whiskey range

- Exports to 15 countries across beer and rum
- International Rum portfolio now in place through BATI and RATU
- Significant recognition for Rum Co of Fiji in industry awards

- Added Miller Genuine Draft and Miller Chill
- Australian Beer Company brands in market within Asia
- Leading premium cider portfolio

- Refreshed the Grinders Brand including the reopening of our iconic coffee shop in Melbourne
- Extended the range to capsules

**Expanded and developed portfolio across Australia, New Zealand and Fiji**

# Spirits & RTDs – continue to innovate and grow

## Premium Spirits

- Accelerate the growth of our premium portfolio
- Exciting growth opportunity in high value categories

## Japanese Whiskey

- Recently added to the portfolio
- Significant value creation through high value, high demand category

## Canadian Club

- Continue to accelerate the growth of Canadian Club
- NPD launches in 2016 continue annualised double digit growth

## Core Brand Refresh

- Increase penetration of core spirits
- Recent global brand redesign – first change to the Jim Beam franchise in 50 years

## Jim Beam

- Maintain and enhance Jim Beam's #1 position in spirits & RTDs
- Recent innovation in refreshment and premium trends



**Most diverse  
whiskey portfolio**



**Strongest Japanese  
whiskey portfolio**



**Fastest growing  
spirit and RTD now  
#4 in Australia**



**#1 spirit RTD  
trademark**



**NPD to grow the  
Bourbon drinking  
occasion**

# Jim Beam Citrus Highball

## Bringing innovation to the category

**Video: Jim Beam Citrus Highball**



# Paradise Beverages Fiji – maintain strong local market position and pursue export opportunities

## Beer

- 2015- Strongest recorded sales year in the Brewery's history
- Brand seeding in Export markets -  
→ Australia, Asia, America Samoa & West Coast USA

## Rum

- Full spirits portfolio and innovation in local market
- Very strong early signs of Export opportunity with globally awarded Rum portfolio





# Beer – continue to build scale in premium international beer and craft beer segments

## Premium International Beer

### Coors

- Emerging International Premium brand with Millennial consumers
- Consecutive double digit growth since launch

### Miller Genuine Draft & Miller Chill

- #4 largest premium International Beer in Australia



## International Craft

### Blue Moon

- World's largest craft beer
- #2 craft beer in the US
- Recent innovation with seasonal releases

### Samuel Adams

- #1 craft beer in the US
- International Beer in Australia



## Local Craft

### Yenda

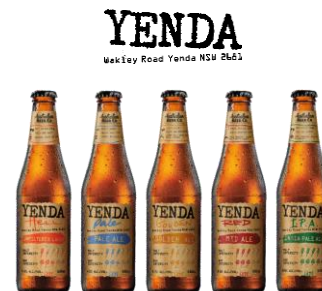
- Range of local craft beers

### Alehouse

- Available in draught

### Limited Releases

- Yenda Twist & Stoup
- Patchwork IPL
- Beyond the Black Stump



## Available to CCA

### Further Partner Brands

- Access to current partners broader portfolio of International Premium and International Craft brands



# Exciting new agreement with Molson Coors complements current beer and cider portfolio

## New Agreement

- New Agreement from October 2016
- Includes the addition of Miller Genuine Draft and Miller Chill to the portfolio
- Miller brand is the fourth biggest Premium International beer in Australia

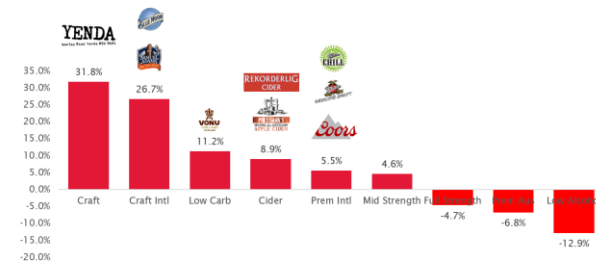


## CCA Portfolio well positioned in Beer & Cider Growth Segments

- Addition of the Miller brand strengthens CCA's position in the large and Growing Premium International Segment
- Wider CCA Beer and Cider portfolio well positioned in growth segments
  - Craft, Craft Int., Low Carb, Cider, Premium Import

### Playing the Growth areas in Beer & Cider

Segment Growth %



Source: IRI, Australia Liquor Off Premise Scan, MAT to 01/05/2016 vs LY

# Molson Coors

## Coors – Born in the Rockies

**Video: Coors – Born in the Rockies**



# Cider and Bitters – continue to innovate in these segments to drive further growth

## Premium Cider

- Strong innovation pipeline with flavours



## Mainstream Cider

- Continue to increase penetration
- Additional innovation opportunities



## Bitters

- Recently added additional flavours
- Further innovation potential



# Coffee – strong brand-led growth plan under Grinders Coffee Roasters

## Brand

- Clarity and communication of right brand for the right outlet

## Products

- Continue growth in traditional roast & ground
- Coffee capsules in grocery with further portfolio expansion opportunities

## Extending reach

- Innovation opportunities
- Training academy
- Equipment supplier with coffee “pull through”







# SPC

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**Alison Watkins** | Group Managing Director



# SPC update

## Significant progress on investment

- New capacity
- Modern snack line
- State of the art tomato processing
- Strengthened operations capability
- Outsourced merchandising
- Sale of surplus site at Mooroopna
- Divestment of non-core UK business
- Building export focus

## Example of innovation in functional food



**Investment on track, profitability challenged**

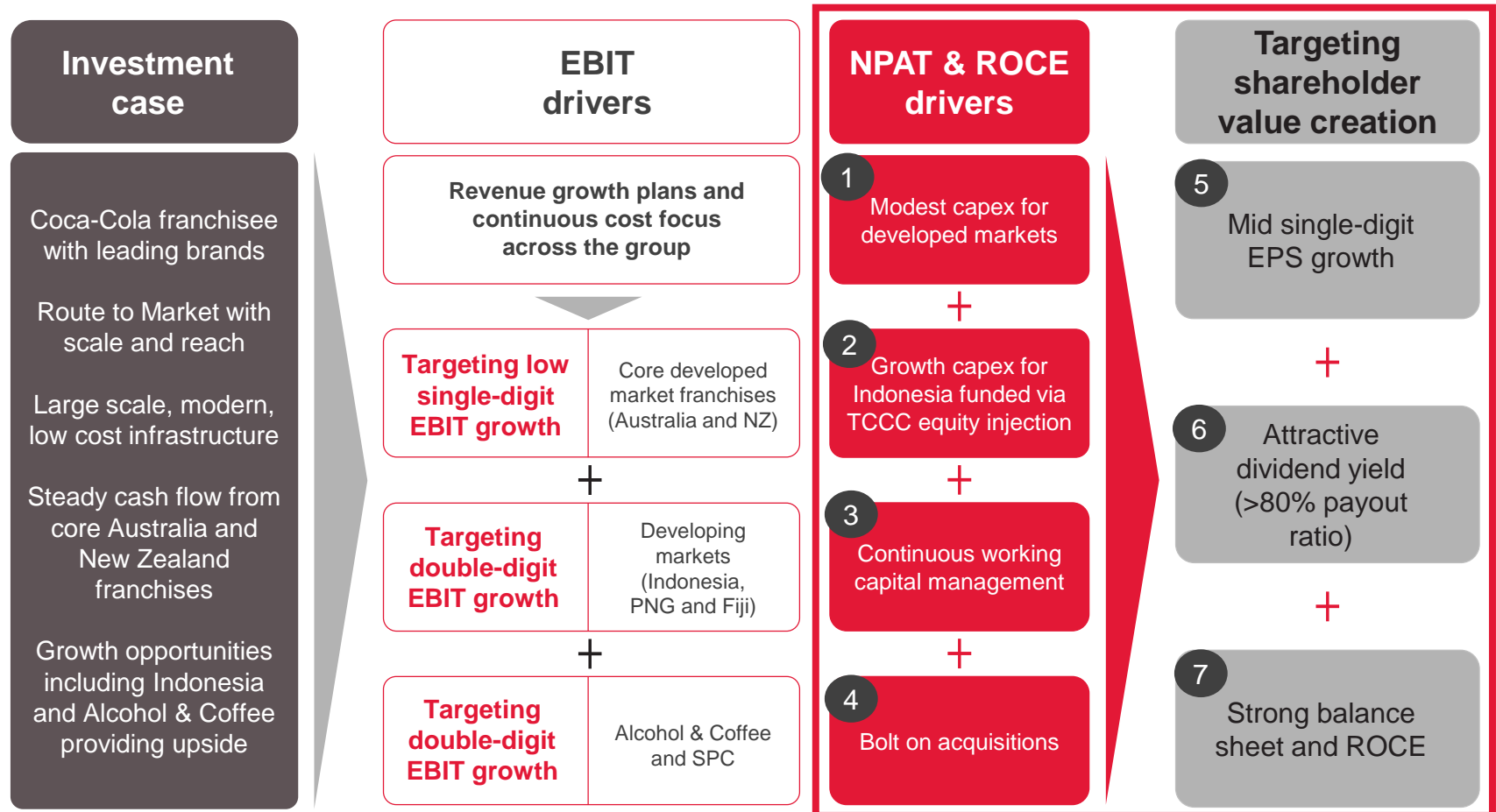
# Finance Overview

Martyn Roberts | Group Chief Financial Officer



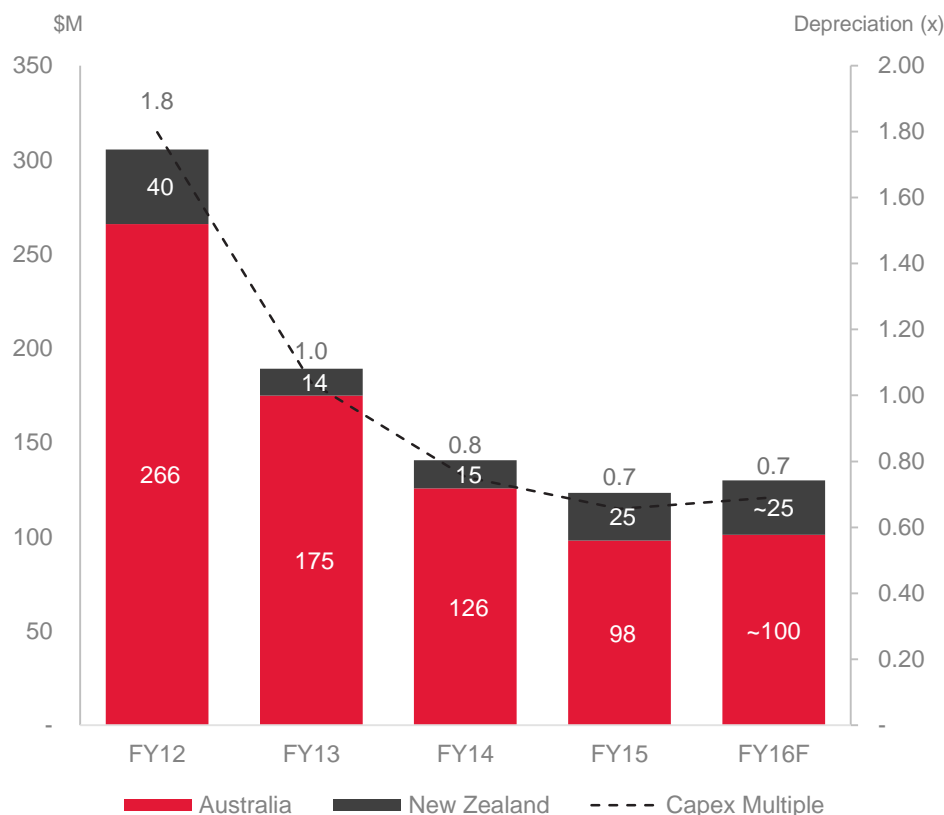
# Finance Overview

**We are applying financial discipline to generate attractive sustainable returns for shareholders**



# 1. Modest capex for developed markets

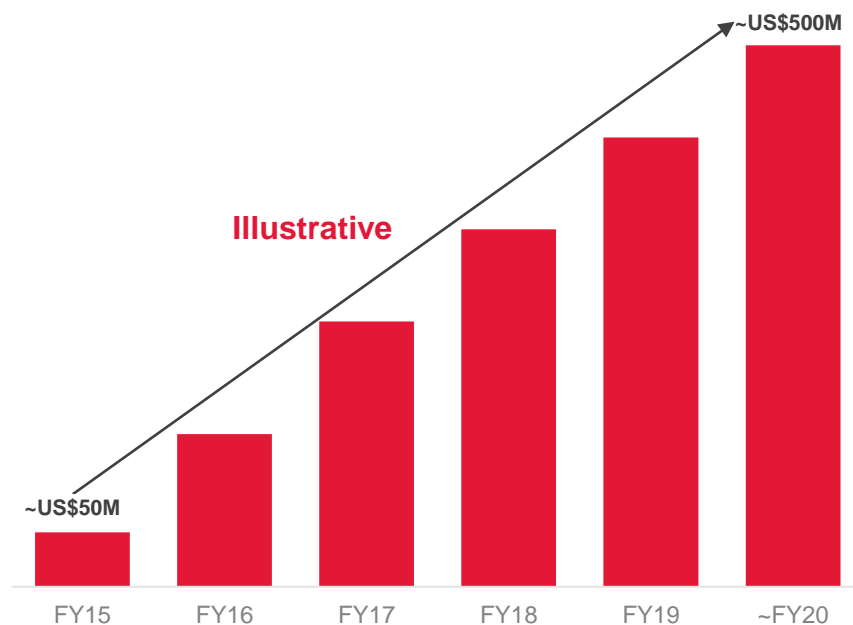
## Australia and New Zealand capital expenditure (AU\$M) and capital expenditure to depreciation (x)



- Capex for developed markets is modest and below depreciation, subject to Australian supply chain needs.
- Main requirements are for cold drink equipment and IT investment to support strategy
- New robust capex approval process
  - Redesigned business case format focussing on financial metrics and returns
  - New return hurdle rates in place tailored for country risk, business risk and type of investment (eg growth / stay in business / safety)
  - Post implementation review program initiated to increase accountability
- FY17 Group capex expected to be closer to \$375M rather than the \$300M identified at 1H16 due to the Richlands project

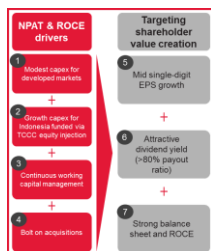
## 2. Growth capex for Indonesia funded via TCCC equity injection

**Indonesia cumulative capital expenditure from April 2015 (US\$M)**

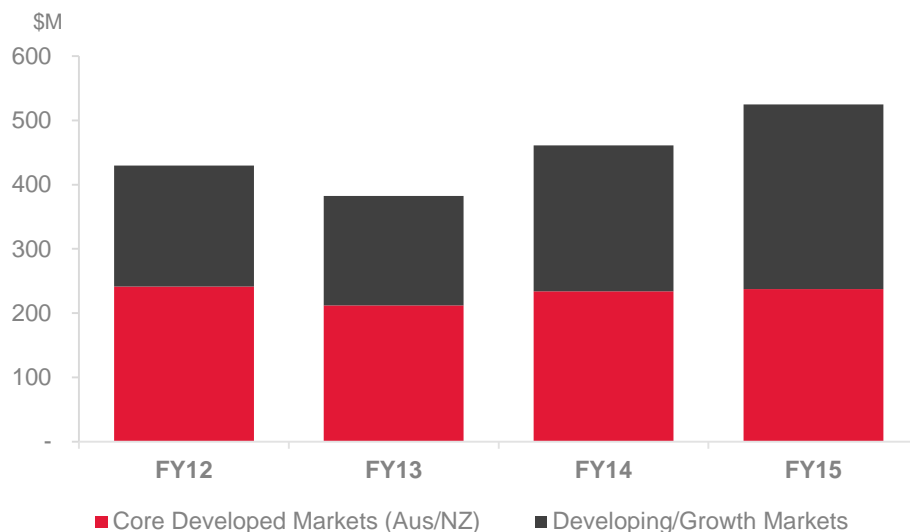


- April 2015 TCCC invested USD500 million for a 29.4% interest in the Indonesian business
- Funds ring-fenced for growth capex in Indonesia
- Identical capex process and rigour for capex in Indonesia as for developed markets
- Capex is focussed on:
  - Cold drink equipment (circa 40,000 pieces of equipment per annum) to support route to market strategy
  - Production plants and lines consistent with capacity requirements from increasing demand
  - Distribution centres
- Disciplined use of capital as required
- Current forecast is that we have sufficient funds for capital investment through to around 2020 depending on volume growth

### 3. Continuous working capital management



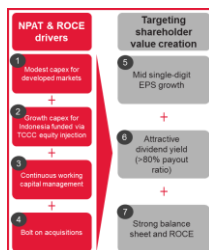
#### Working capital core developed markets and developing & growth markets (\$M)



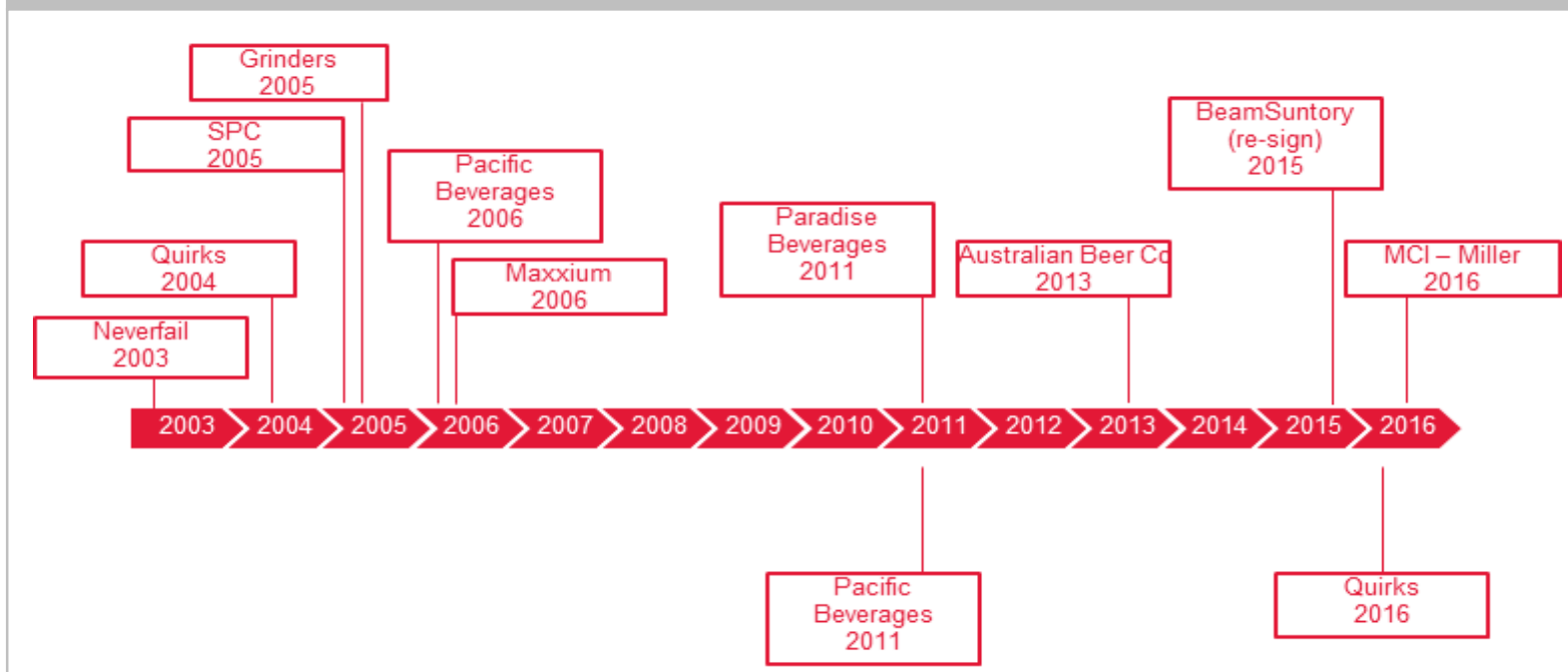
- Renewed focus on sustainable working capital improvements across the group
- Core developed markets stabilised with a view to improve (Australia & New Zealand)
- Committed to supporting growth markets such as Indonesia and Alcohol & Coffee
- Particular focus on inventory in the short term



## 4. Bolt on acquisitions



### History of bolt-on acquisitions, divestments and significant joint ventures

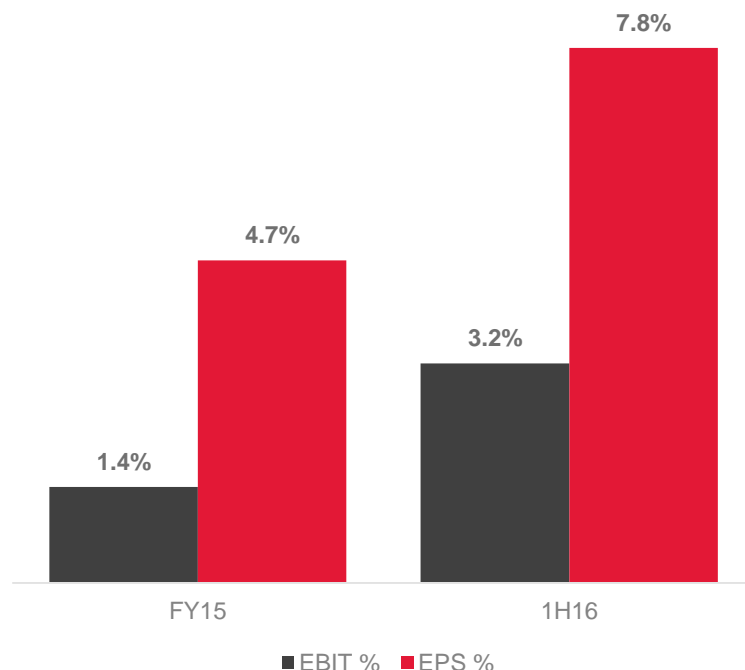


**Sufficient balance sheet capacity to pursue bolt on acquisitions**

**Most likely to be in Alcohol & Coffee**

## 5. Targeting mid single digit earnings per share growth

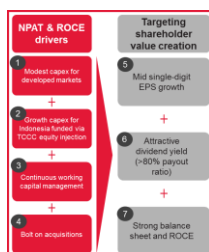
### Earnings per share and EBIT<sup>(1)</sup> growth FY15 and 1H16 (%)



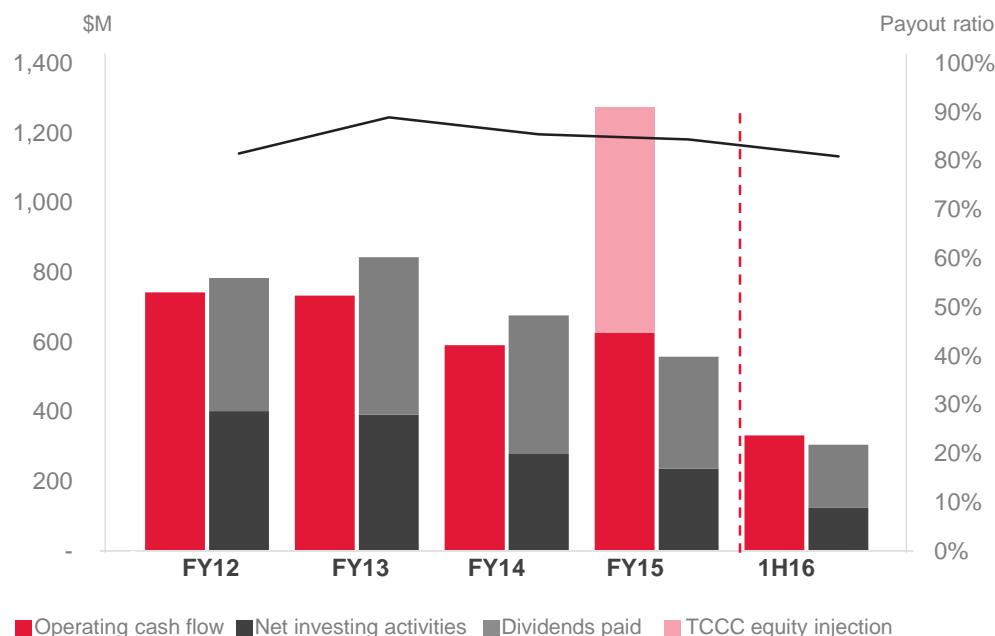
- Mid single digit earnings per share (EPS) growth already being achieved, albeit through lower finance costs as a result of TCCC equity injection in Indonesia
- Aspiration is for mid single digit EPS to be largely EBIT driven
- Risks to delivery in terms of success of revenue initiatives in Australia and economic conditions in Indonesia remain

1. Before 2014 significant item.

## 6. Continuing attractive dividend yield with above 80% payout ratio

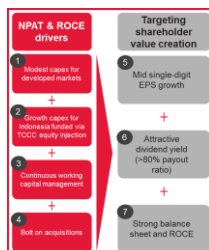


### Use of operating cash flow and dividend payout ratio

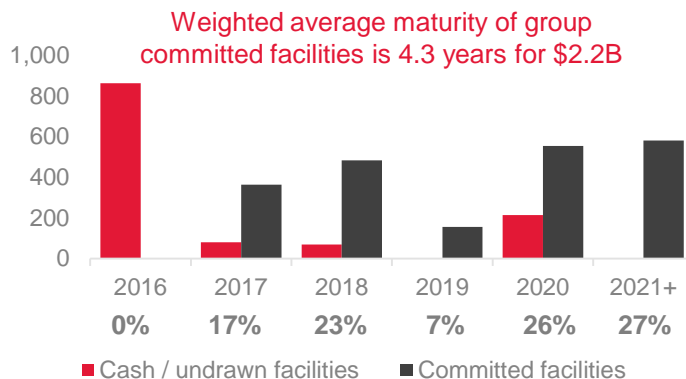


- Modest capex in developed markets and self funded growth capex in Indonesia combined with continuous working capital management allows us to continue to target a dividend payout ratio above 80% during the current business cycle

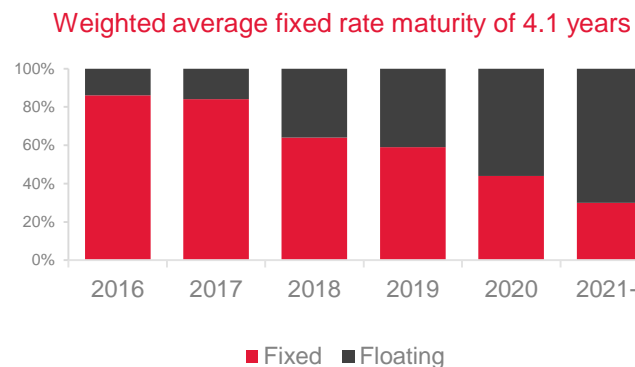
# 7. Strong balance sheet



## Balanced debt maturities profile

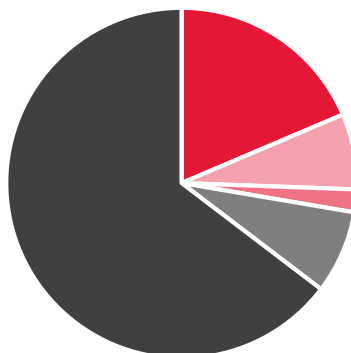


## Increasing certainty of finance cost profile



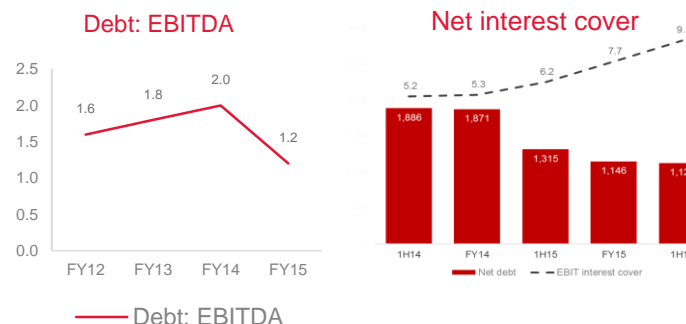
## Diverse and cost effective funding

- Bank Debt
- AUD domestic bond
- NZD domestic bond
- USPP
- Euro Medium Term Note Market



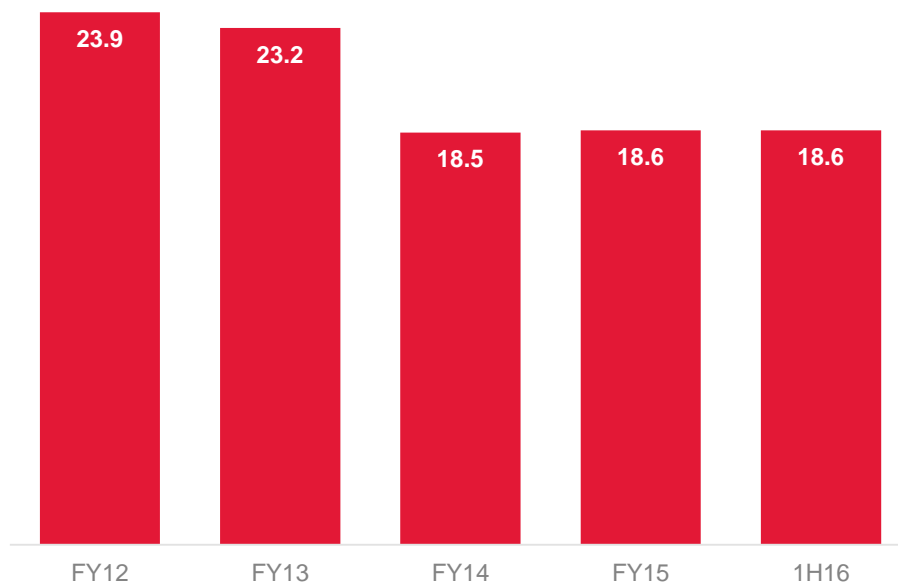
## Credit ratings and metrics

- S&P BBB+ (stable)
- Moody's A3 (stable)



## 7. Focus on return on capital employed

### Return on capital employed<sup>(1)</sup> (%)



- Our business performance and finance discipline has stabilised return on capital employed and should lead to improvements in the future

1. Return on capital employed is calculated as EBIT before significant items, divided by the average of the assets and liabilities – operating and investing (net assets of the Group excluding net debt) at the beginning and at the end of the twelve-month period ended as at the balance date.

# Other finance updates

## Creation of a Property Division

- Property Division will be set up from 1 January 2017
- The Division will hold Land & Buildings assets for all owned production and warehouse sites in Australia and New Zealand
- Businesses will be charged rent in line with market rates
- The Division will be reported within the Corporate, Food & Services Segment
- 2016 results will be restated resulting in minimal impact on year on year comparisons

## Commodities / COGS – Australian Beverages

- 2015 and 2016 have seen a flat COGS environment with reductions in commodities being offset by a weakening AUD
- 2017 will have a negative impact from USD forward contracts which have been taken out in 2016, without such a commensurate reduction in commodity prices
- Sugar, in particular, has risen substantially in H2, as have electricity prices
- As a result, COGS for Australian Beverages are forecast to increase by ~2-3% in 2017
- We expect to recover these increases through our regular pricing processes



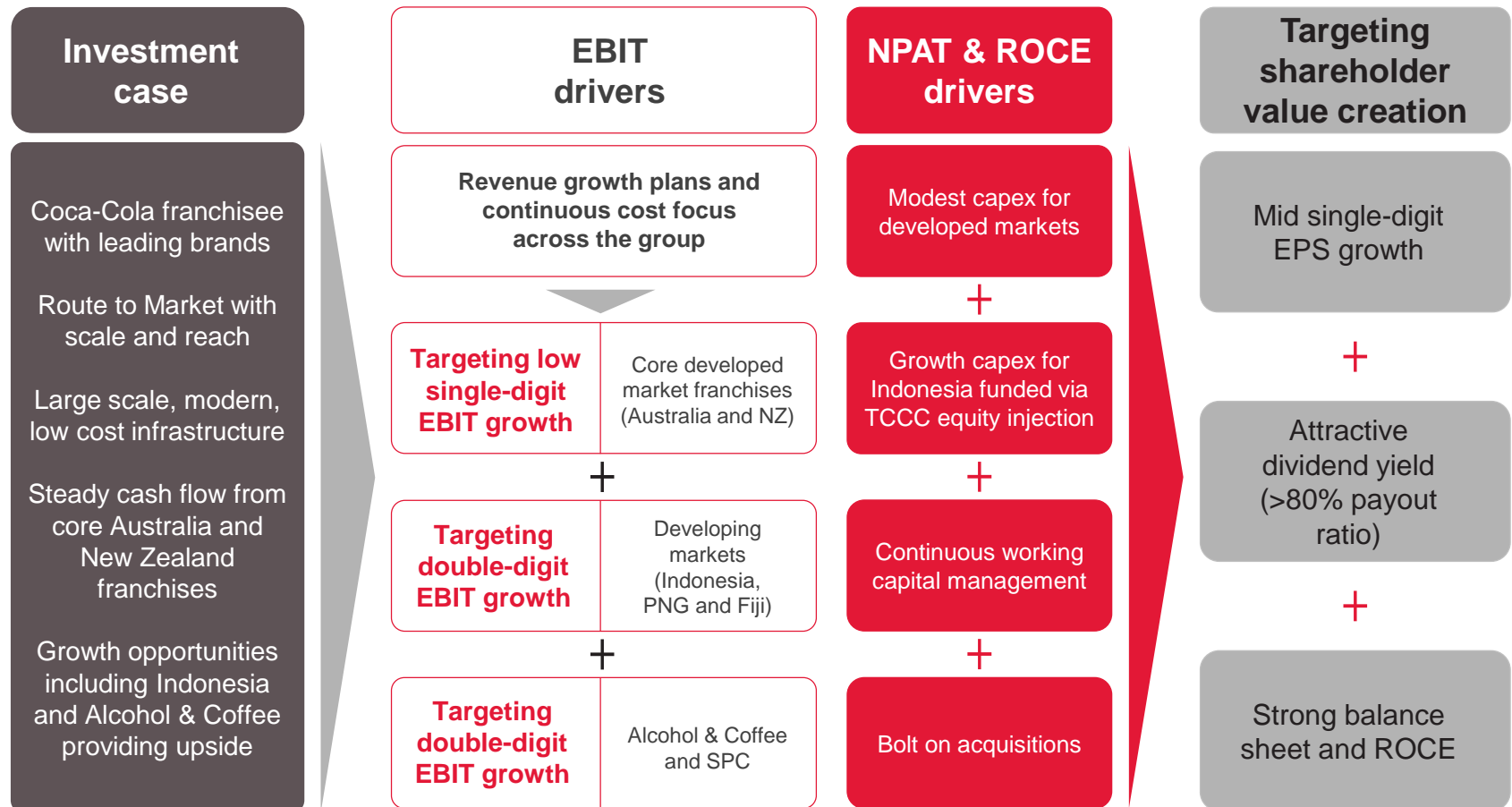
# Wrap Up Q&A

Alison Watkins | Group Managing Director



# Wrap up

**We are focused on generating attractive sustainable returns for shareholders**





# Demonstrations

**CCA**  
COCA-COLA AMATIL



# Demonstrations

## Australian Beverages

- Digital technology demonstrations
  - SAM
  - PICOS
  - myCCA

## Alcohol & Coffee

- Portfolio description and sampling
  - Spirits
  - Paradise Beverages – Rum
  - International Beer
  - Craft Beer
  - Coffee

