

## **ASX Release**

20 August 2020

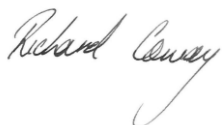
Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **2020 HALF YEAR RESULT**

I **enclose** the presentation titled "2020 Half Year Result".

Your faithfully,



**Richard Conway**  
Group Company Secretary

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# 2020 HALF YEAR RESULT

20 August 2020

**Alison Watkins**

Group Managing Director

**Greg Barnes**

Group Chief Financial Officer

**Peter West**

Managing Director, Australia

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Group Head, Investor Relations

**CCA**  
COCA-COLA AMATIL

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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.

This presentation also includes July and August trading data, which has yet to be audited externally.

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# AGENDA

## GROUP PERFORMANCE



Alison Watkins

## PERFORMANCE OVERVIEW



Greg Barnes

## FINANCIALS



Greg Barnes

## AUSTRALIA PERFORMANCE



Peter West

## PACIFIC PERFORMANCE



Alison Watkins

## INDONESIA & PAPUA NEW GUINEA PERFORMANCE



Alison Watkins

## GROUP STRATEGY AND PROGRESS UPDATE



Alison Watkins



## QUESTIONS & ANSWERS



# GROUP PERFORMANCE

**Alison Watkins** Group Managing Director





# ALL IN THIS TOGETHER - WE ARE GRATEFUL FOR THE CONTRIBUTION AND RESPONSE OF ALL OUR STAKEHOLDERS

OUR PEOPLE, OUR PARTNERS, OUR CUSTOMERS, OUR CONSUMERS, AND OUR COMMUNITIES



# COVID-19: CLEAR PRIORITIES FROM THE VERY START. RESILIENCE ESTABLISHED.



## PEOPLE

**Focused on protecting our people**

- Safety and hygiene protocols in place
- Redeployment of activity-based workers
- Remote working

## PARTNERS

**Worked closely with our partners**

- Incorporated learnings from across the Coca-Cola System
- Reviewed joint plans
- Supply chain planning

## CUSTOMERS

**Maintained operational agility and supported our customers**

- Responded to channel shifts and changed environment
- Enhanced customer support

## COMMUNITIES/ CONSUMERS

**Initiatives to support our communities and consumers**

- Product donations
- Product availability
- Produced and donated hand sanitiser in Fiji and Indonesia

## BUSINESS CONTINUITY

Dynamic and conservative scenario planning; cross-functional commercial response covering the areas of Governance & Leadership, Scenario Planning, Supply Chain, Sales & Distribution and Cost Structure

# 1H 2020 GROUP - FINANCIALS



## TRADING REVENUE<sup>1</sup>

**\$2,185.9m**  
-9.2%

- Strong start to the year with our Group **Trading Revenue** up by 2.4% in 1Q 2020.
- **Trading revenue** declined by 9.2% for the half driven by COVID-19 impacts across all our markets.



## EARNINGS

**EBITDA<sup>1</sup>**  
**\$370.5m**  
-19.4%

- **EBITDA<sup>1</sup>** of \$370.5 million reflecting volume impact on margins, partially offset by cost savings of ~\$60 million of the \$140 million targeted for delivery in 2020
- **EBIT<sup>1</sup>** of \$190.2 million down 34.4%, reflecting fixed nature of depreciation.
- **NPAT<sup>1</sup>** of \$112.1 million supported by lower finance costs and a lower effective tax rate



## FREE CASH FLOW & NET DEBT

**NET DEBT**  
**reduced by**  
**\$49.9m**

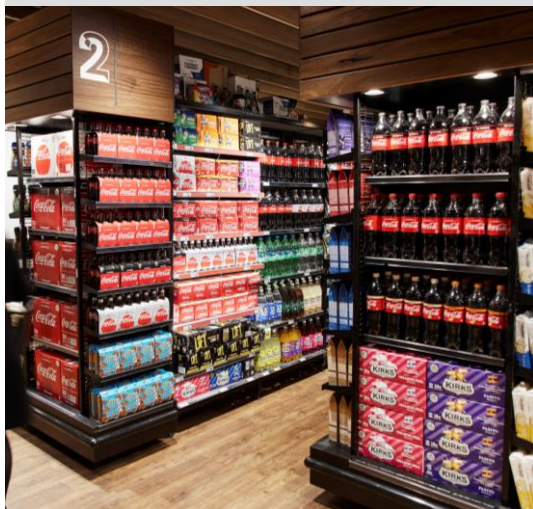
- Strong cash generation:
  - **Free cash flow<sup>1</sup>** of \$216.7 million, a modest decline of 11.6%
  - **Cash realisation<sup>1</sup>** was 111.8%
- **Net debt** reduction of \$49.9 million since 28 June 2019
- Unfranked interim **dividend** of 9.0 cents per share, signifying the Board's confidence in the strength of the business



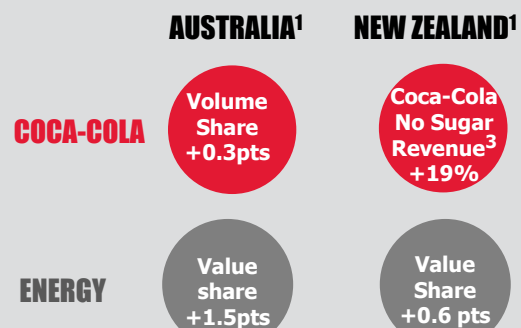
# 1H 2020 GROUP – ADDITIONAL DEVELOPMENTS

## GAINED MARKET SHARE

Volume and value share gains in Australia and New Zealand<sup>1</sup>. Increased share of Sparkling in Indonesia<sup>2</sup>.



## STRENGTH OF COCA-COLA TRADEMARK & ENERGY BRANDS



## CONTINUED SUSTAINABILITY INITIATIVES

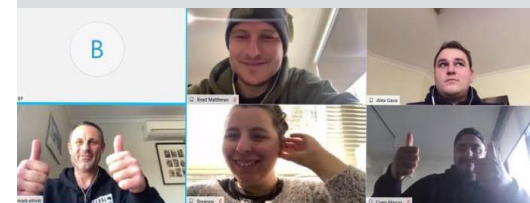
- 8.8% sugar reduction in our Australia NARTD portfolio<sup>4</sup>.
- Signed heads of agreement with Dynapack to build bottle-to-bottle grade PET recycling facility in Indonesia.
- Supported our communities during COVID-19, bushfires, and floods through product and cash donations and production and donation of hand sanitiser for health and front-line workers in Fiji and Indonesia.



## IMPROVED EMPLOYEE ENGAGEMENT

Improvement in employee engagement<sup>5</sup> in 2020 vs 2019:

- Group +4pts
- Australia +5pts



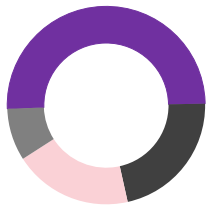
# HY20 PERFORMANCE OVERVIEW

**Greg Barnes** Group Chief Financial Officer



# FINANCIALS

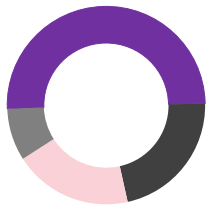




# INCOME STATEMENT

\$ MILLION	HY20	HY19	CHANGE %
<b>Ongoing<sup>1</sup></b>			
Revenue	2,185.9	2,406.4	(9.2)
EBITDA	370.5	459.7	(19.4)
<b>EBIT</b>	<b>190.2</b>	<b>289.9</b>	<b>(34.4)</b>
Net finance costs	(32.5)	(34.7)	(6.3)
Taxation expense	(43.8)	(73.6)	(40.5)
Non-controlling interests	(1.8)	(8.3)	(78.3)
<b>NPAT – ongoing<sup>1</sup></b>	<b>112.1</b>	173.3	(35.3)
Profit from discontinued operation after income tax	-	6.2	nm
Non-trading items after income tax <sup>2</sup>	(162.2)	(11.5)	nm
Non-controlling interests – non trading items	41.4	-	nm
<b>(Loss)/profit attributable to Coca-Cola Amatil Limited shareholders</b>	<b>(8.7)</b>	168.0	(105.2)

- **Revenue** declined by \$220.5 million with the businesses delivering performances in the range of -23.0% to -2.3%<sup>3</sup> vs prior comparable period (pcp)
- **Direct Marketing Expenditure (DME)** was down \$9.3 million vs pcp
- **EBITDA** decreased by 19.4%, reflecting volume impact on margins, partially offset by ~\$60 million in cost savings (of the \$140 million targeted for delivery in 2020)
- **Net finance costs** relatively stable year on year at \$32.5 million, benefitted from lower cash rate
- **Effective tax rate** of 27.8% or 1.1 pt favourable vs pcp
- **NPAT** of \$112.1m, reflected EBIT decline supported by flat finance costs and lower effective tax rate



# NON-TRADING ITEM EXPENSES

Non-cash impairment of \$176.6m (post tax, pre-minorities), comprising \$143.4m from the Indonesian business

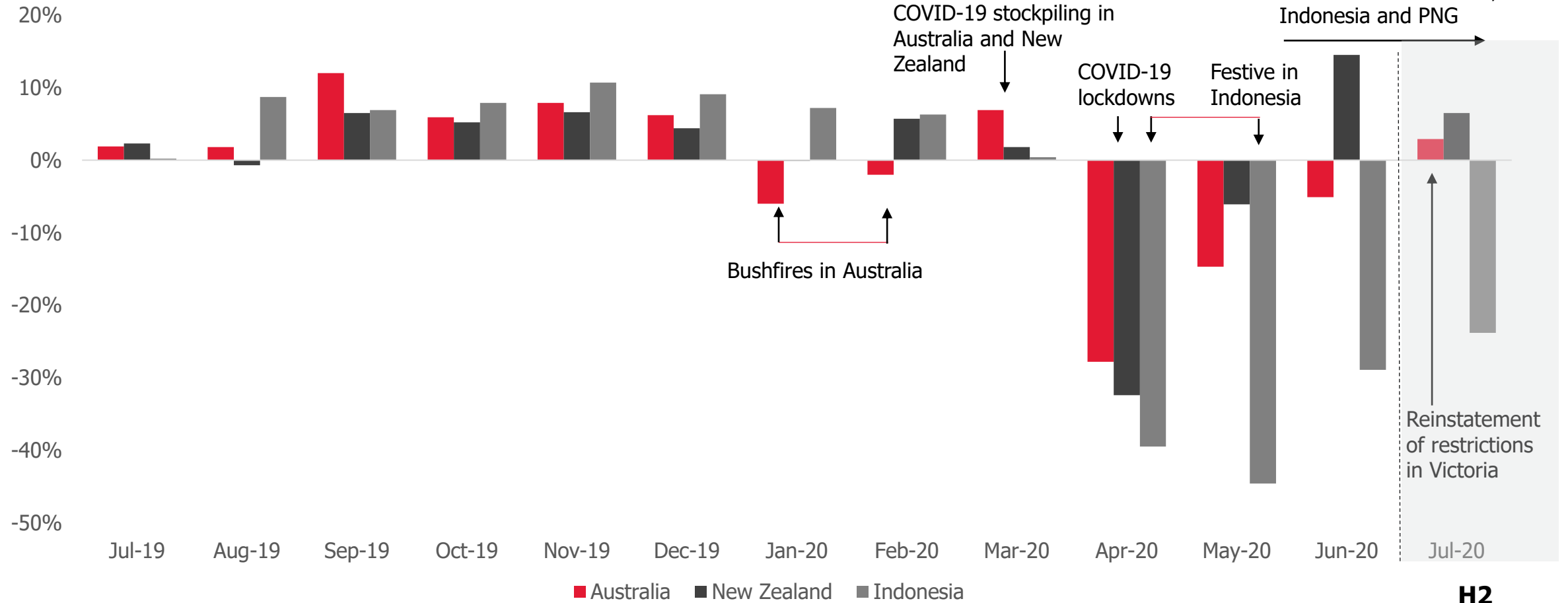
1H 2020 FURTHER DETAILS AND TAX TREATMENTS (\$M)	BEFORE TAX	TAX BENEFIT	AFTER TAX	NON CONTROLLING INTERESTS (NCI) ADJUSTMENT	CCA LTD SHARE
Impairments					
- Indonesia	175.9	(32.5)	<b>143.4</b>	(42.2)	<b>101.2</b>
- Paradise Beverages Fiji & Samoa	16.4	0.4	<b>16.8</b>	(2.1)	<b>14.7</b>
- Equity accounted investments	12.1	-	<b>12.1</b>	-	<b>12.1</b>
Other	6.1	(1.8)	<b>4.3</b>	-	<b>4.3</b>
<b>Total before tax</b>	<b>210.5</b>	<b>(33.9)</b>	<b>176.6</b>	<b>(44.3)</b>	<b>132.3</b>
Indonesia tax rate change		(10.0)	<b>(10.0)</b>	2.9	<b>(7.1)</b>
NZ Building tax allowance		(4.4)	<b>(4.4)</b>	-	<b>(4.4)</b>
<b>Total</b>	<b>210.5</b>	<b>48.3</b>	<b>162.2</b>	<b>(41.4)</b>	<b>120.8</b>

- Non-trading item expenses are mainly non-cash impairments and COVID-19 related tax benefits
- Impairments reflect impact of COVID-19 on business valuations due to latest views of future cash flows and valuation constraints under the accounting standards
- Rising COVID-19 infection rate in Indonesia
- The absence of tourism is expected to continue impacting the Fiji and Samoa economies
- We remain confident in the long-term outlook of these businesses
- Tax-related stimulus that favourably impact deferred tax balances disclosed as non-trading items (NTIs)



# REVENUE MOMENTUM DISRUPTED BY COVID-19. BUSINESSES ARE SLOWLY RECOVERING

## Revenue Growth YoY % Change



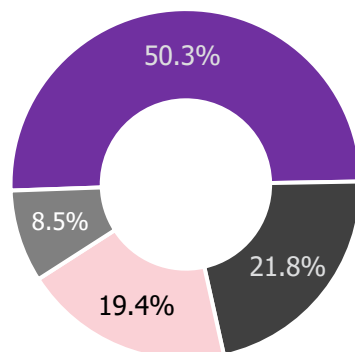
**H2**

# 1H20 TRADING PERFORMANCE IN ALL OUR SEGMENTS WAS IMPACTED BY COVID-19

## Ongoing EBITDA Breakdown (\$m)

	HY20	HY19	CHANGE (%)
<b>AUSTRALIA</b>	186.3	243.8	(23.6)
<b>PACIFIC</b>	80.7	84.2	(4.2)
<b>INDONESIA &amp; PAPUA NEW GUINEA</b>	71.9	98.8	(27.2)
<b>CORPORATE &amp; SERVICES</b>	31.6	32.9	(4.0)
<b>TOTAL EBITDA</b>	<b>370.5</b>	<b>459.7</b>	<b>(19.4)</b>
<b>DEPRECIATION &amp; AMORTISATION</b>	(180.3)	(169.8)	6.2
<b>GROUP EBIT</b>	<b>190.2</b>	<b>289.9</b>	<b>(34.4)</b>

EBITDA share by segment  
(% of total)



## AUSTRALIA

NARTD volume down 8.0%, further reflected impact of bushfires. Encouraging momentum as restrictions eased. EBITDA of \$186.3 million, down by 23.6% vs pcp. Australia EBIT margin decline of 3.7 pts reflected adverse channel and portfolio mix from changes in consumer behaviour due to government restriction measures. Strong performance in Spirits.

## PACIFIC

**NZ** – Momentum with revenue growth of 2.5% and EBIT growth of 13.2% in the first quarter. Volume declined 5.6% for the half driven by lockdowns, partially mitigated by strong revenue growth management resulting in 2.3% constant currency revenue decline. Experiencing a steady recovery following the relaxation of the domestic restrictions.

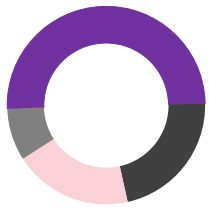
**Fiji** result reflected the challenging economic backdrop compounded by the impact of COVID-19 related travel restrictions on the tourism industry.

## INDONESIA & PAPUA NEW GUINEA

Solid 1Q 2020 volume in **Indonesia**, followed by abnormal festive trading conditions resulted in a volume decline of 30.8% in average daily sales volumes versus festive period last year.

EBITDA of \$41.8 million benefitted from successful cash management and tight cost control across functions, which delivered \$16.1m in operational efficiencies.

**PNG** returned to volume growth in the last two months of the half.



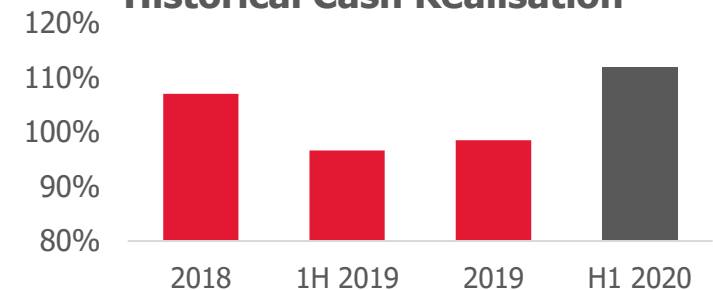
# CASH FLOW – ONGOING<sup>1</sup>

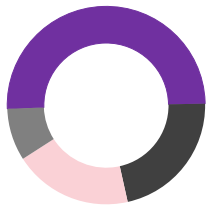
Improved Cash realisation at 111.8% or 15.2 pts higher year on year, underpinned by disciplined working capital management

\$ MILLION	HY20	HY19	VARIANCE
<b>ONGOING EBITDA</b>	<b>370.5</b>	<b>459.7</b>	<b>(89.2)</b>
Changes in adjusted working capital <sup>2</sup>	85.1	2.1	83.0
Net interest and other finance costs paid	(35.6)	(29.1)	(6.5)
Income taxes paid	(53.6)	(55.6)	2.0
Movement in other items <sup>3</sup>	(37.6)	(37.7)	0.1
<b>OPERATING CASH FLOWS</b>	<b>328.8</b>	<b>339.4</b>	<b>(10.6)</b>
Capital expenditure	(112.5)	(98.0)	(14.5)
Other	0.4	3.7	(3.3)
<b>FREE CASH FLOWS</b>	<b>216.7</b>	<b>245.1</b>	<b>(28.4)</b>
<b>CASH REALISATION<sup>4</sup> - ONGOING</b>	<b>111.8 %</b>	<b>96.6 %</b>	<b>15.2 points</b>

- **Working capital** was favourable by \$83.0 million driven by improved debtors and tight inventory management
- **Net interest and other finance costs paid** increased by \$6.5 million due to changes in timing of cash receipts and payments
- **Capex** up by \$14.5 million to \$112.5 million driven by payments in PNG and New Zealand on projects committed in 2019
- **Cash realisation<sup>4</sup>** improved 15.2 pts year on year to 111.8%, reflecting disciplined working capital management during the period

## Historical Cash Realisation

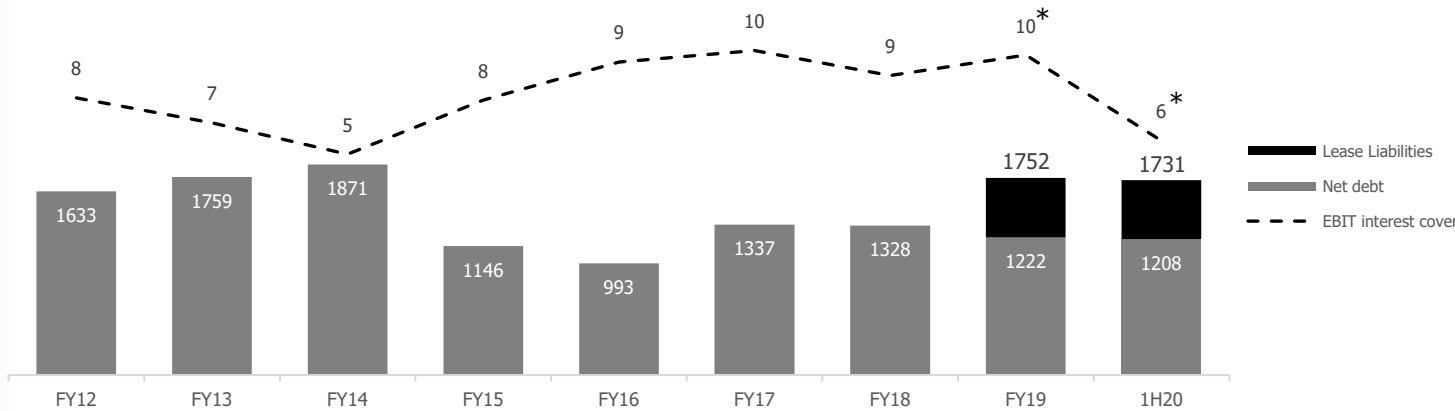




# BALANCE SHEET STRENGTHS

Net debt decreased by \$49.9 million from June 2019, improved debt mix and strong investment grade

## NET DEBT (\$ MILLION) AND ONGOING<sup>1</sup> EBIT INTEREST COVER (X TIMES)



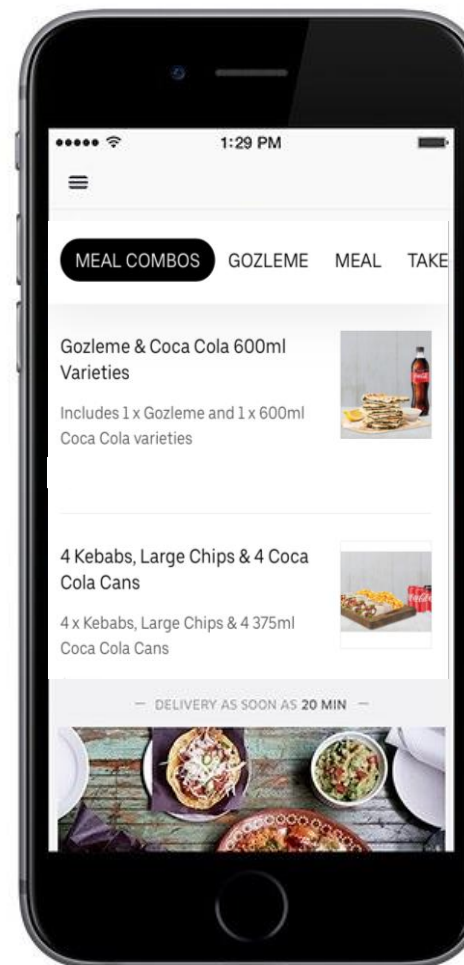
\*FY19 and 1H20 have been determined in accordance with the new lease accounting standard AASB16

- Net debt decreased by \$49.9 million since 28 June 2019 to \$1,730.7 million mainly reflecting strong working capital management. The decrease was after the \$188.2 million payment of the 2019 final dividend paid in 1H 2020
- Strengthened debt facilities:
  - Increased debt facilities to \$2.7 billion, comprised of committed undrawn bank facilities of ~\$630 million and capital markets issuance
  - Increased average debt maturity profile of 5.8 years
  - \$771.0m held in cash excluding PNG
  - Sufficient available liquidity in place to service Debt maturities of ~\$100 million in 2H 2020
- PNG cash and funds held in government bills was \$170.4 million at 1H20, representing a \$119.3 decrease vs pcg.
- Net debt to EBITDA<sup>1</sup> from 1.8x in FY 2019 to 1.9x in 1H 2020

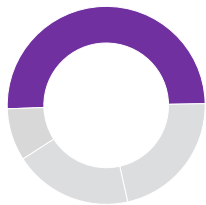


# AUSTRALIA PERFORMANCE

**Peter West** Managing Director, Australia







# AUSTRALIA

Lower volume and revenue driven by the bushfires and COVID-19 restrictions. EBIT impacted by shifts in channel and portfolio mix

\$ MILLION	HY20	HY19	CHANGE %
Trading Revenue – NARTD <sup>1</sup>	1,101.9	1,215.3	(9.3)
Trading Revenue - Alcohol & Coffee	194.2	205.1	(5.3)
<b>TOTAL TRADING REVENUE</b>	<b>1,296.1</b>	<b>1,420.4</b>	<b>(8.8)</b>
<b>NARTD - VOLUME (MILLION UNIT CASES)<sup>2</sup></b>	<b>134.7</b>	<b>146.4</b>	<b>(8.0)</b>
<b>NARTD - REVENUE PER UNIT CASE (\$)</b>	<b>8.18</b>	<b>8.30</b>	<b>(1.4)</b>
<b>ONGOING EBITDA<sup>3</sup></b>	<b>186.3</b>	<b>243.8</b>	<b>(23.6)</b>
<b>ONGOING EBIT</b>	<b>118.7</b>	<b>183.9</b>	<b>(35.5)</b>
<b>EBIT MARGIN (%)</b>	<b>9.2</b>	<b>12.9</b>	<b>(3.7) pts</b>
<b>ROCE – ONGOING (%)</b>	<b>21.2</b>	<b>24.4</b>	<b>(3.2) pts</b>

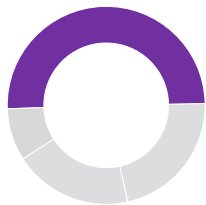
- Australia NARTD volumes declined by 8.0% while revenue declined by 9.3%
- NARTD trading revenue per unit case was 1.4% lower than prior year comprising:
  - 1.1% increase from container deposit scheme charges
  - 2.5% decrease from product/channel mix
- The NARTD category grew in measured market<sup>4</sup> value +2.0% and declined in volume by 0.8% with Amatil outperforming the market, particularly in volume with growth of 3.3% – a testimony to the strength of our brands and strong market execution
- Alcohol & Coffee revenue declined by 5.3% year-on-year driven by the impact of On-Premise closures on Alcohol and cafe and pub & club outlet closures on Coffee
- EBITDA of \$186.3 million, down by 23.6% vs pcg; EBIT of \$118.7 million, down 35.5% vs pcg
- EBIT was impacted by:
  - Mix shift to lower margin channels (Grocery and National QSRs) and increased At Home consumption through multi-serve PET and multi-pack cans
  - Lower absorption of fixed cost base on lower volumes, partially offset by \$37 million of savings achieved in the first half

1 Non-alcohol ready to drink beverages

2 A unit case is the equivalent of twenty-four 8 US oz (237ml) serves or 5.678 litres

3 Ongoing refers to continuing operations results adjusted to exclude non-trading items

4 NARTD share of Grocery and Convenience & Petroleum. Source: IRI YTD to 28/06/20 scanned data



# NARTD CHANNEL PERFORMANCE

Strong performance in the Grocery channel. Convenience & Petroleum and OTG volumes improved as restrictions eased.

VOLUME COMPOSITION BY CHANNEL (MILLION UNIT CASES <sup>1</sup> )	HY20	HY19	CHANGE %
Grocery	76.7	74.9	2.4
Convenience & Petroleum	10.8	11.6	(6.9)
OTG <sup>2</sup> [exc. National On Premise]	22.3	29.7	(24.9)
National On Premise	24.9	30.2	(17.5)
<b>Total NARTD</b>	<b>134.7</b>	<b>146.4</b>	<b>(8.0)</b>

1 A unit case is the equivalent of twenty-four 8 US oz. (237ml) serves of 5.678 litres

2 Includes State Immediate Consumption, HORECA, Vending, Licensed, Neverfail and Other

3 NARTD share of Grocery. Source: IRI Australia YTD to 28 June 2020 scanned data

4 NARTD share of Convenience & Petroleum. Source: IRI YTD to 28 June 2020 scanned data

- COVID-19 restrictions and lockdowns led to changes in consumer behaviour impacting the operating environment in all channels

## GROCERY

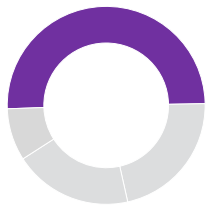
- Normalisation of volumes following volatility from COVID-19 related trends in March and April resulted in an increase of 2.4% in the first half
- Grocery mix skewed to large take home packs with lower volumes from front of store cold drink products
- The measured market<sup>3</sup> was flat in volume and grew 3.0% in value. Amatil outperformed the measured market<sup>3</sup> resulting in volume and value share gains led by Coca-Cola No Sugar

## CONVENIENCE & PETROLEUM

- Amatil grew volume in May and June, however overall volume for the half declined by 6.9%
- Amatil achieved volume and value share growth in a declining measured market<sup>4</sup>
- Strong demand for Energy brands – Amatil outperformed the measured market<sup>4</sup> in Energy volumes.

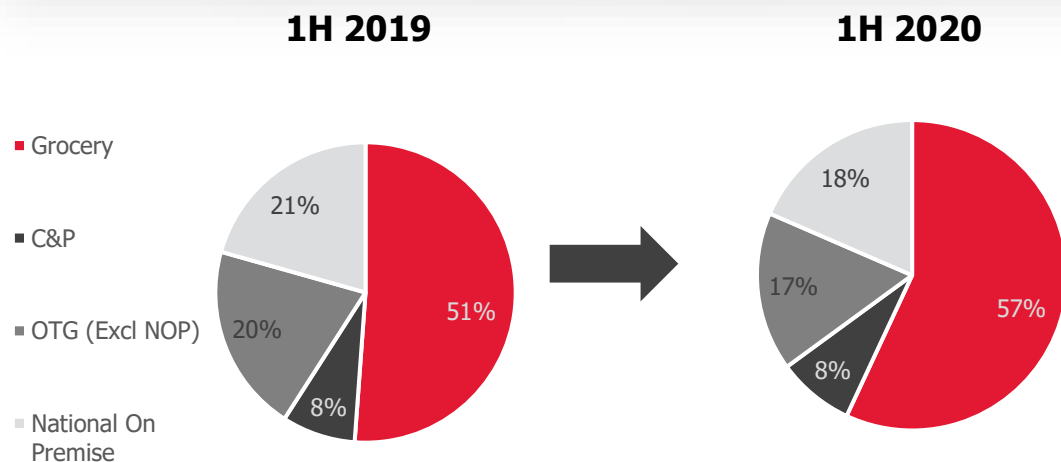
## ON-THE-GO

- HORECA channel was severely impacted, however trading has shown some improvement since easing of restrictions in May
- State Immediate Consumption and National On Premise led volume and outlet count improvement since channels reopened
- Accelerated volumes sold through online platforms



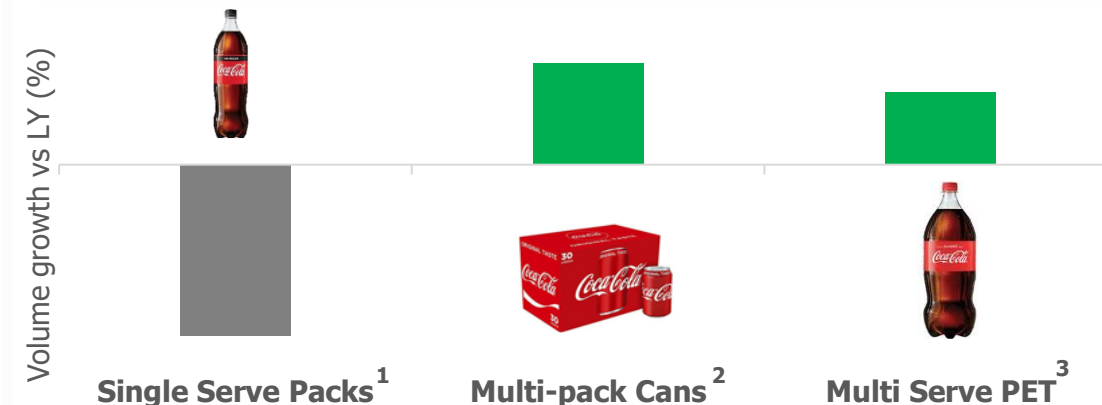
# MARGIN IMPACTED BY CHANGES IN CONSUMER BEHAVIOUR AND LOWER OVERALL VOLUME

## NARTD VOLUME – CHANNEL MIX



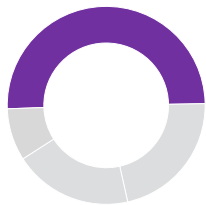
## NARTD VOLUME - PORTFOLIO MIX

### Coca-Cola Trademark – 1H 2020 Volume vs LY %



### Shift to 'at-home' consumption

- Channel mix shift away from OTG into Grocery. In 2Q 2020 Grocery represented 59% of total volume.
- Portfolio mix shift away from the higher margin single-serve packs to lower margin multi-pack cans and multi-serve PET



# NARTD CATEGORY PERFORMANCE

Resilient performance of Coca-Cola Trademark in 1H led by strong growth of Coca-Cola No Sugar. Achieved an excellent result against a challenging market backdrop with Energy volumes up +2.4% and volume share gains of +1.3pts in NARTD.

## VOLUME COMPOSITION BY CATEGORY (MILLION UNIT CASES<sup>1</sup>)

HY20

HY19

CHANGE %

### SPARKLING

Cola	73.2	73.7	(0.7)
<i>Coca-Cola No Sugar</i>	20.6	19.3	6.7
Flavours/Adult	19.5	22.4	(12.9)

### TOTAL SPARKLING

92.7 96.1 (3.5)

### FROZEN

9.6 11.7 (17.9)

### STILLS

Water <sup>2</sup>	20.7	25.9	(20.1)
Energy	4.3	4.2	2.4
Value added dairy	1.0	1.2	(16.7)
Other stills <sup>3</sup>	6.4	7.3	(12.3)

### TOTAL STILLS

32.4 38.6 (16.1)

### TOTAL

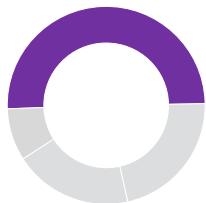
134.7 146.4 (8.0)

## VOLUME

- **Coca-Cola No Sugar** volumes grew 6.7%. Decline of 0.7% in Cola, driven by Classic Coca-Cola and Diet Coke
- Reduced **Water** volume driven by declines in Still Water as consumer mobility declined due to the bushfires and the pandemic. Achieved volume growth of +14.7% in Sparkling Water in the Grocery channel
- **Energy** delivered a strong performance with volume growth despite cycling the Coke Energy launch in June 2019
- Volume declines in **Value-added dairy** driven by Barista Bros
- **Flavours/Adult** decline partially offset by +14.4% growth in the Diets/Light Flavours segment

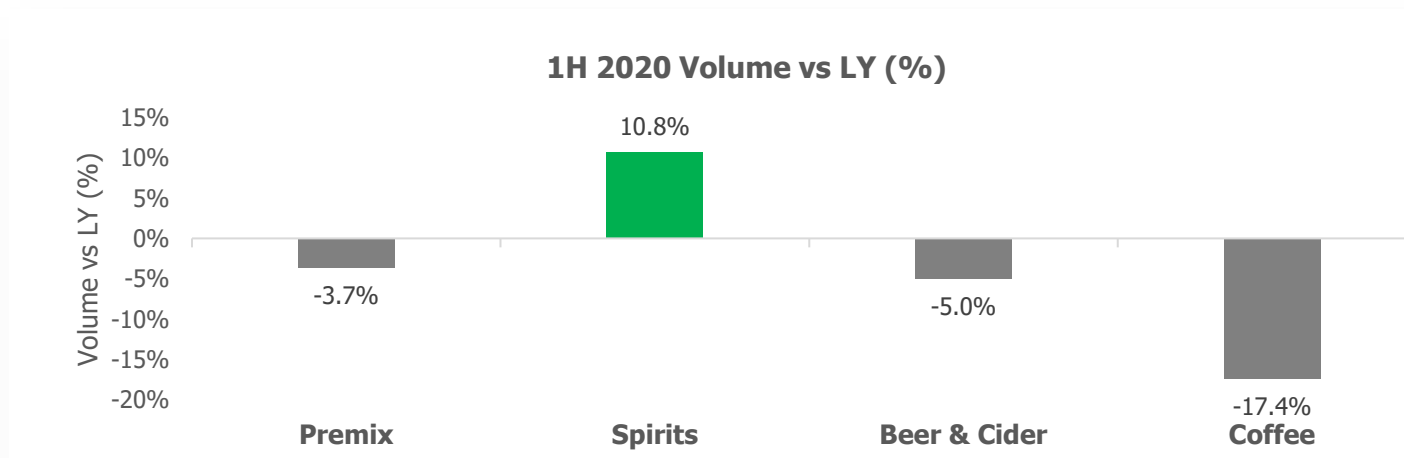
## SHARE<sup>4</sup>

- Amatil grew value and volume share in the **NARTD** market
- Value and volume share gains in **Classic Cola** and **Coca-Cola No Sugar**
- Outperformed the **Energy** market and delivered value (+1.5pts) and volume (+1.5pts) share gains
- Value and volume share gains in **Water**



# STRONG PERFORMANCE OF SPIRITS

Challenging context of outlet closures and trading restrictions in the On-Premise channel.



## ALCOHOL

- Amatil maintained value share<sup>1</sup> in Spirits underpinned by share gains in Vodka, Gin and Scotch
- Jim Beam trademark delivered a significant improvement in volume trajectory
- Canadian Club volume in 1H 2020 was impacted by On Premise outlet closures. Achieved double digit volume growth in June

## COFFEE

- Volume was severely impacted by café and pub & club closures in 1H, however there has been an improvement in the OTG outlet count from May

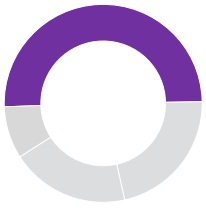
<sup>1</sup> Spirits/Premix: Australia Liquor, Source: IRI Australia YTD to 28 June 2020 scanned data



# AUSTRALIA TRADING UPDATE & PRIORITIES

**Peter West** Managing Director, Australia

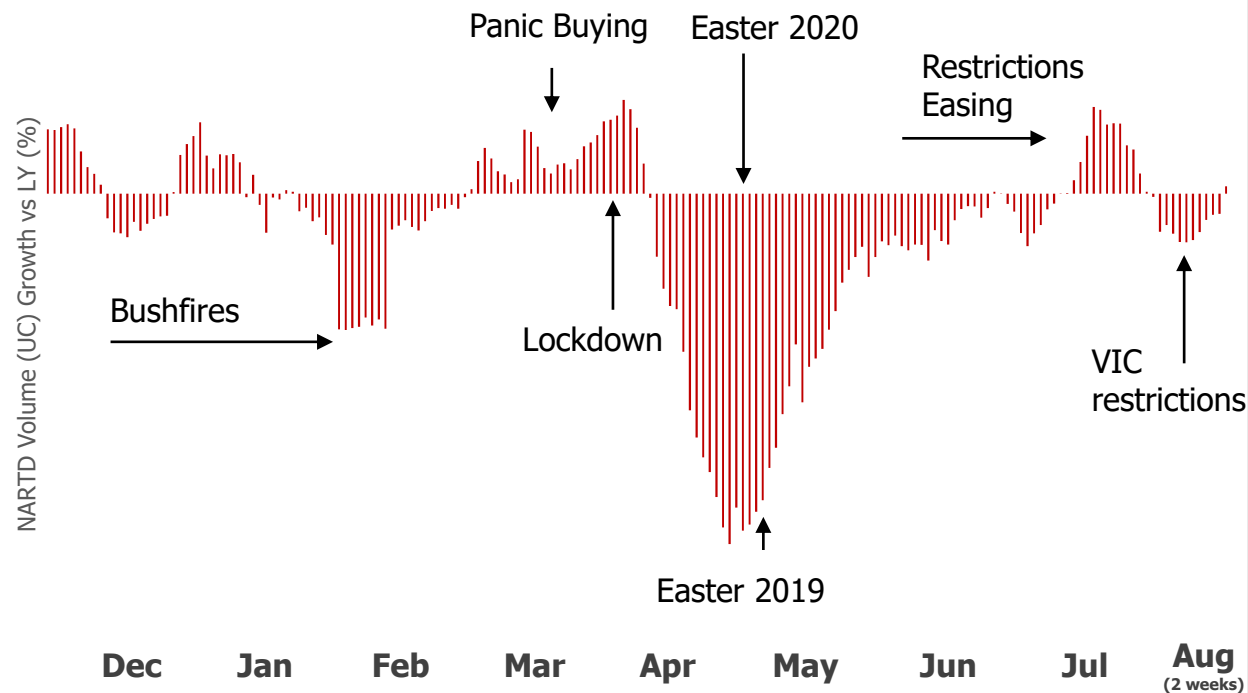




# AUSTRALIA NARTD

Strong momentum from FY19 was interrupted by bushfires and the COVID-19 pandemic. Improved volume performance from May, with volatility to be managed at state, region and channel levels.

## YTD VARIATION & VOLATILITY BY WEEK<sup>1</sup>

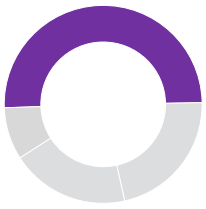


<sup>1</sup> Amatil Australia NARTD 10-Day rolling average volume trend vs LY - December to two week of August

## AMATIL

- Amatil NARTD performance reflects the volatility in the beverages measured market and impacts to OTG customers
- Since the easing of restrictions performance has been variable between regional and CBD areas
- Stage 4 restrictions implemented in Melbourne for six weeks (2 August to 13 September)





# TRADING UPDATE - JULY AND 2 WEEKS OF AUGUST

Trading momentum continued in July with strong volume across NARTD Retail and Alcohol. Slow down in volume growth in August in VIC and NSW while WA and SA continued to perform strongly.

## JULY

### NARTD

- Volume up 2.4%: volume growth across all Cola variants; Energy continued to deliver solid growth; Sports returned to growth achieving a very strong month
- **Grocery and C&P** delivered volume growth +17.0% vs LY. Overall **OTG** trend remained stable at -16.6%
- The NARTD measured market grew in value and volume<sup>1</sup> up 4.9% and 3.1% respectively. Amatil outperformed the market and delivered value and volume share gains

### ALCOHOL

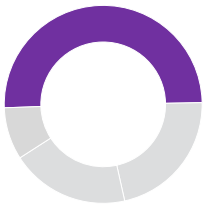
- Volume grew by 18.6% as On-Premise outlets have reopened and social occasions increased
- Continued strong growth in Spirits skewed to At Home consumption and increase in demand in Premix.

### COFFEE

- Volume declined by 9.1% with growth in Grocery being offset by COVID-19 restrictions in On-Premise

## AUGUST - 2 WEEKS

- Total volume grew by 0.3%, including 0.9% in NARTD and 2.0% in Alcohol. This result reflects the impacts of Victoria lockdown and COVID-19 hot-spots in NSW on OTG trading



# THE BEVERAGES MARKET IN A COVID ENVIRONMENT

Impacts to consumption occasions and shopper trends have resulted in portfolio, location and channel shifts.

## COVID-19 PHASES

### LOCKDOWN

### RESTRICTED TRADING

## OPERATING ENVIRONMENT

- At Home consumption
- Consumer stockpiling
- Limited mobility
- Outlet closures with trading restricted to take-away

### CHANNELS

- Lower shopper visitation and increased spend per basket in Grocery
- Significant impact in OTG
- Reduced foot traffic in C&P and QSR

- At Home consumption
- Pick up in foot traffic in C&P and OTG
- OTG outlets reopen with social distancing rules a limiting factor
- Consumer: price-sensitive in undifferentiated categories, healthier choices and convenience

### CHANNELS

- Increasing velocity per outlet
- Shoppers seek discount retailers and local independent and specialty stores

## IMPLICATIONS

### PORTFOLIO VARIATION

- ↑ Take home PET and multi-serve packs
- ↑ Demand for strong brands
- ↑ No Sugar/Diet Colas and Diets/Lights Flavours
- ↓ Water and Sports
- ↓ Single serve packs during lockdown



### CHANGED CONSUMER DEMAND PATTERNS

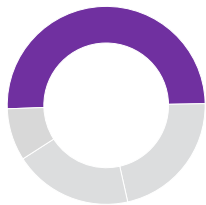
- ↔ Volume shifts to Grocery and Off-Premise channels
- ↔ Volume shifts to suburban and regional areas as employees work remotely



### E-COMMERCE

- ↑ Online shopping in Grocery
- ↑ Volume through food aggregators





# 2H 2020 PRIORITIES TO ADDRESS MARKET CHANGES

Prioritisation to maximise impact across our core categories and to drive efficiency in our operations.

## COVID-19 ENVIRONMENT

### PORTFOLIO VARIATION



### CHANGED CONSUMER DEMAND PATTERNS



### E-COMMERCE



## ACCELERATED AUSTRALIAN GROWTH PLAN

### CATEGORY

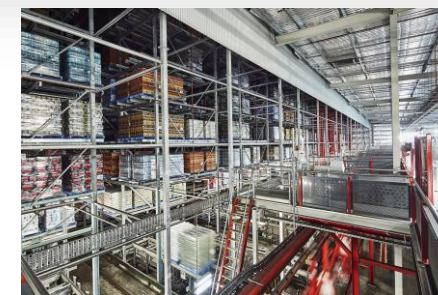
- Continue to drive strong performance in **Coca-Cola Trademark** with **Coca-Cola No Sugar** to lead recovery
- Continue momentum in **Energy** through innovation and precision execution
- **Flavours** stabilisation with focus on No Sugar Flavours

### CHANNEL

- Drive Core range availability through **Product Quadrant Analysis (PQA)**
- Amplify **online** presence and enhance product ranging
- Impactful **key selling weeks** activation: Football Finals and Festive seasons

### ENABLERS

- Adjust **cost to serve** to the new market environment
- **Network agility** to support customer base
- **Data-driven** initiatives to respond to geographic and channel shifts

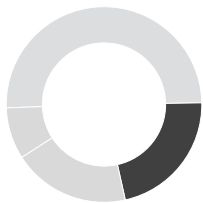




# PACIFIC PERFORMANCE

**Alison Watkins** Group Managing Director, Australia





# PACIFIC

Resilient 1H performance in NZ and strong recovery following the lifting of restrictions. Fiji performance was impacted by the flow on effects from the pandemic on the broader economy.

\$ MILLION	HY20	HY19	CHANGE %	CHANGE – CONSTANT CURRENCY <sup>1</sup> %
<b>TRADING REVENUE</b>	360.0	378.3	(4.8)	(5.3)
Volume (million unit cases)	37.4	40.6	(7.9)	(7.9)
Revenue per unit case (\$)	9.63	9.32	3.3	2.7
<b>ONGOING<sup>2</sup> EBITDA</b>	80.7	84.2	(4.2)	(5.3)
<b>ONGOING EBIT</b>	55.4	60.2	(8.0)	(8.3)
EBIT Margin (%)	15.4	15.9	(0.5) pts	(0.5) pts
ROCE – Ongoing (%)	23.2	22.8	0.4 pts	

## NEW ZEALAND

- Strong start to the year with revenue growth of 2.5% and EBIT growth of 13.2% in 1Q 2020
- Volume declined by 5.6% in 1H 2020 as the majority of On-The-Go and Licensed customer outlets were closed in April and May. Strong revenue management partially mitigated the impact of lower volumes resulting in a 2.3%<sup>1</sup> revenue decline in 1H
- 1H EBIT decline was minimised to -1.2%<sup>1, 2</sup> vs pcp supported by strong 1Q trading, an increased focus on costs and a COVID-19 related Government subsidy (NZD \$7m)

## FIJI

- Already challenging economic backdrop was further impacted by the effects of COVID-19 on the tourism industry resulting in Volume, Revenue and EBIT declines for both the NARTD and Paradise Beverages (alcohol) businesses



# NZ – STRONG PERFORMANCE LED BY COCA-COLA TRADEMARK

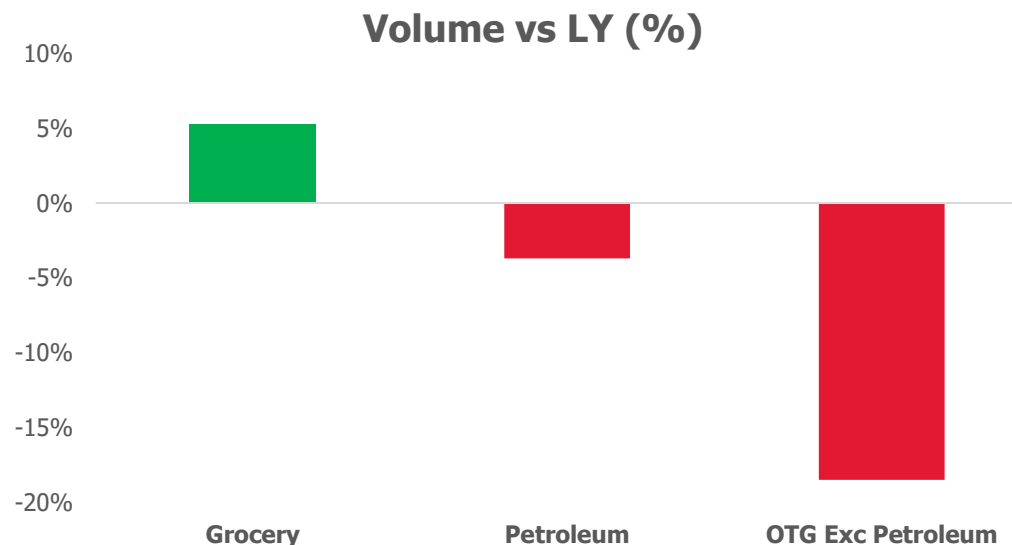
## CATEGORY

- Shift to take home packs and multipack cans due to increase in 'at home' consumption
- Strong performance of Coca-Cola Trademark:
  - Double digit volume and revenue growth in No Sugar Cola
  - Modest revenue growth in Classic Cola
- Improved performance since easing of restrictions:
  - All categories except Water have delivered volume growth in June
  - Alcohol volumes have grown strongly since the end of May

## MARKET SHARE

- The total NARTD measured market<sup>1</sup> grew in volume +2.5% and value +3.7%; Amatil outperformed the market significantly and achieved share gains for the half in volume +0.6pts and value +1.6pts

## CHANNEL



Grocery and OTG volume performance reflected shift to at home consumption during 2Q

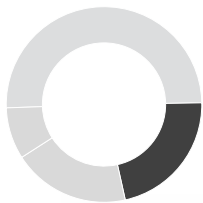
Significant improvements since easing of restrictions:

- Petroleum volume -3.7%, including a -50% decline in April
- OTG delivered positive revenue performance in June

# PACIFIC TRADING UPDATE & PRIORITIES

**Alison Watkins** Group Managing Director

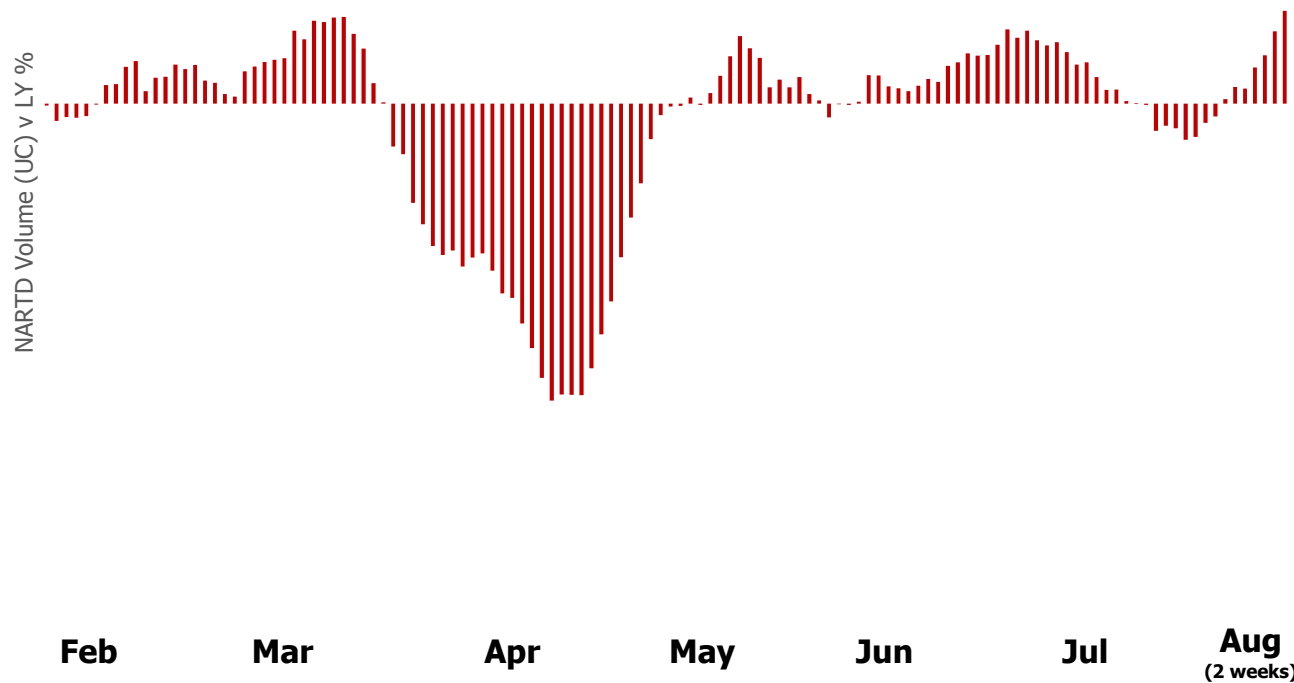




# TRADING UPDATE – JULY AND 2 WEEKS OF AUGUST

Normalisation of volumes in July and growth in first two weeks of August in New Zealand, while Fiji volume continued to reflect the absence of international tourism.

## NEW ZEALAND – 1H VARIATION & VOLATILITY BY WEEK<sup>1</sup>



## NEW ZEALAND

### JULY

- Volume normalised to +0.4% as July was the first full month trading under COVID-19 Level 1 restrictions
- Mid-single digit Revenue growth underpinned by a recovering OTG channel

### AUGUST – 2 WEEKS

- Volume grew by 13.2%, cycling the impact of Grocery price increases in late July 2019

## FIJI

### JULY

- Subdued trading expected until travel restrictions are lifted
- Volume declined by 24.9% in NARTD reflecting the subdued trading environment. Paradise Beverages declined by 9.2% benefitting from customer stock build-up ahead of expected excise tax increase

### AUGUST – 2 WEEKS

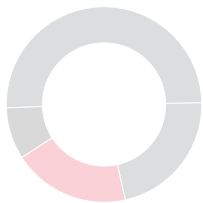
- Total volume declined by 5.7% reflecting trading environment and reduction in excise taxes by 50%

# INDONESIA/PNG PERFORMANCE

**Alison Watkins** Group Managing Director, Australia







# INDONESIA & PAPUA NEW GUINEA

In Indonesia, the impacts of the pandemic on trading coincided with the Festive period. PNG delivered a volume decline of 2.5% in 1H 2020.

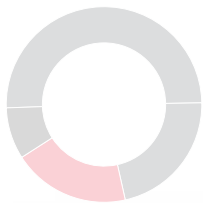
\$ MILLION	HY20	HY19	CHANGE %	CHANGE – CONSTANT CURRENCY <sup>1</sup> %
<b>TRADING REVENUE</b>	502.6	581.8	(13.6)	(17.7)
Volume (million-unit cases)	105.4	127.2	(17.1)	(17.1)
Revenue per unit case (\$)	4.77	4.57	4.4	(0.7)
<b>EBITDA – ONGOING<sup>2</sup></b>	71.9	98.8	(27.2)	(30.2)
<b>EBIT - ONGOING</b>	20.9	51.8	(59.7)	(60.6)
EBIT Margin (%)	4.2	8.9	(4.7) pts	(4.6) pts
ROCE – Ongoing (%)	8.2	10.1	(1.9) pts	

## INDONESIA

- Solid start to the year – achieved 8th consecutive quarters of volume growth in 1Q 2020
- 1H volume declined 19.3%
- Severe impacts on Traditional Trade -17.1% and Modern Trade -23.4% volumes from outlet closures and government restrictions, including on festive related activities
  - Affordability pressure from fast deterioration of macroeconomic conditions and pressure on disposable income
  - Festive volumes declined by 30.8% in average daily sales volumes versus festive period last year. April and May 2019 were the two largest volume months ever in the business
- EBITDA of \$41.8 million benefitted from successful cash management and tight cost control across functions, which delivered \$16.1m in operational efficiencies, primarily related to COVID cost saving initiatives

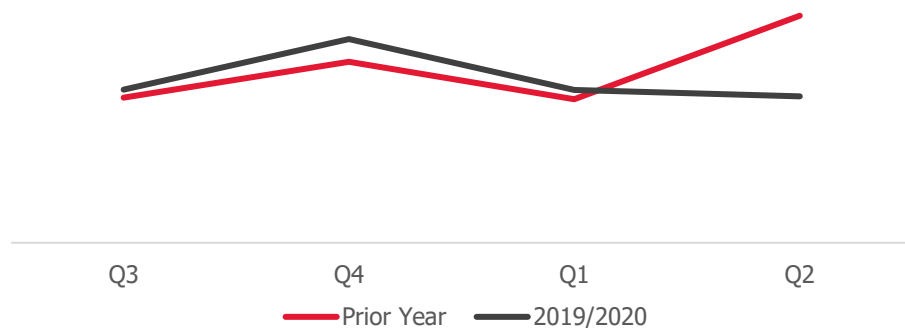
## PAPUA NEW GUINEA

- Volume decline of 2.5% despite significant trading disruptions caused by the State of Emergency in March and flow on effects on the economy of COVID-19
- Sparkling cans performed strongly
- Strong recovery following easing of restrictions with the business achieving volume growth in the last two months of the half

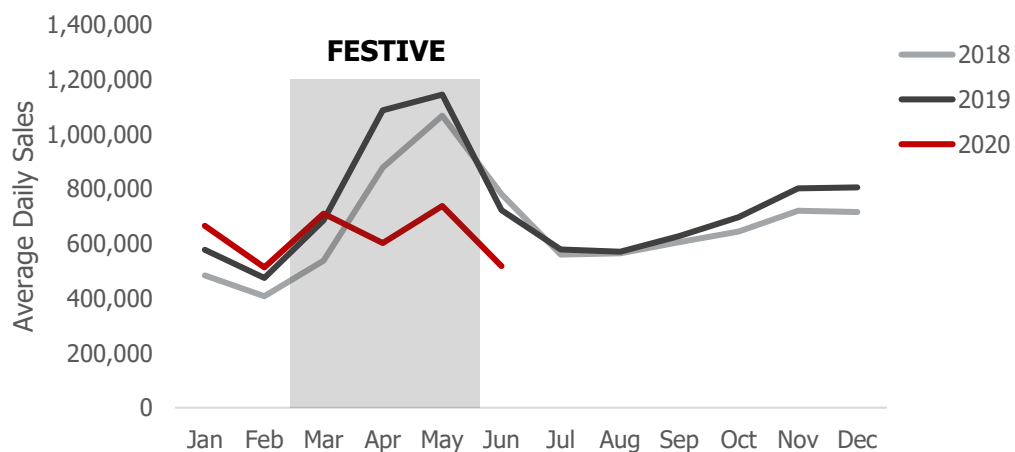


# ABSENCE OF THE TRADITIONAL FESTIVE VOLUME UPLIFT AS THE COVID-19 CRISIS DEEPENED IN 2Q 2020

## CCAI VOLUME BY QUARTER



## AVERAGE DAILY SALES



## FESTIVE TRADING<sup>1</sup>

### VOLUME UPLIFT

- Delivered a 29.5% volume uplift in 2020 festive, significantly below the ~100% average increase achieved in 2018 and 2019

Year	% Volume Uplift in Festive <sup>2</sup>
2018	96.6%
2019	99.0%
2020	29.5%

### CHANNEL IMPACT

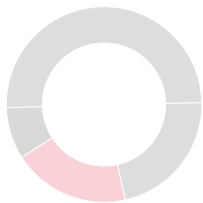
- Outlet trading restricted by widespread closures or reduced operating hours
  - Traditional Trade festive volumes declined by 35.2% in 2020 vs pcp
  - Modern Trade festive volumes trading declined by 29.4% in 2020 vs pcp

### 1H 2020 Channel Split

33%  
Modern trade

67%  
Traditional trade

<sup>1</sup> The festive period in 2020 took place from early March to late May. The festive period begins 11 weeks prior to Idul Fitri  
<sup>2</sup> Volume uplift relative to pre-festive period (from Jan to start of festive period) each year



# RESILIENT PERFORMANCE IN A CHALLENGING ENVIRONMENT

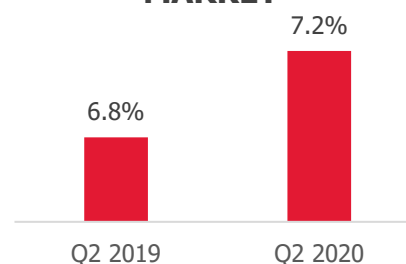
## CHALLENGING MACRO ENVIRONMENT

- Annual GDP contracted by -5.3%<sup>1</sup> in Q2. The weakest pace since 1999.
- Consumer Confidence is at the lowest levels in 15 years<sup>2</sup>
- Increased affordability pressures due to declining consumer spending and higher unemployment rate<sup>3</sup>



## RESILIENT PERFORMANCE OF SPARKLING

### AMATIL SPARKLING CONTRIBUTION TO TOTAL NARTD MARKET<sup>4</sup>



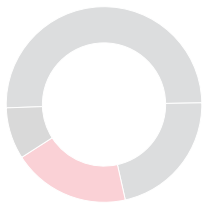
## STRONG MARKET EXECUTION

- Strong market execution and customer support during and post festive led to double-digit gains in SOVI (share of visible inventory) in Tea, Juice and Value-Added Dairy, well above market share levels
- Resilient performance in Provision channel: leveraged our effective RTM to capitalise on rapid market changes
- Rapidly developed a presence across key online shopping and E-commerce platforms
- Relevance of our Sparkling brands demonstrated in the +4.1pts volume share<sup>4</sup> gains achieved in the total market
- Strong Route to Market Model drove NARTD volume share gains<sup>4</sup> in Traditional Trade
- Strong performance of Minute Maid Pulpy following price rebase in February: +1.7ppts in share<sup>5</sup> volume

# INDONESIA/PNG TRADING UPDATE & PRIORITIES

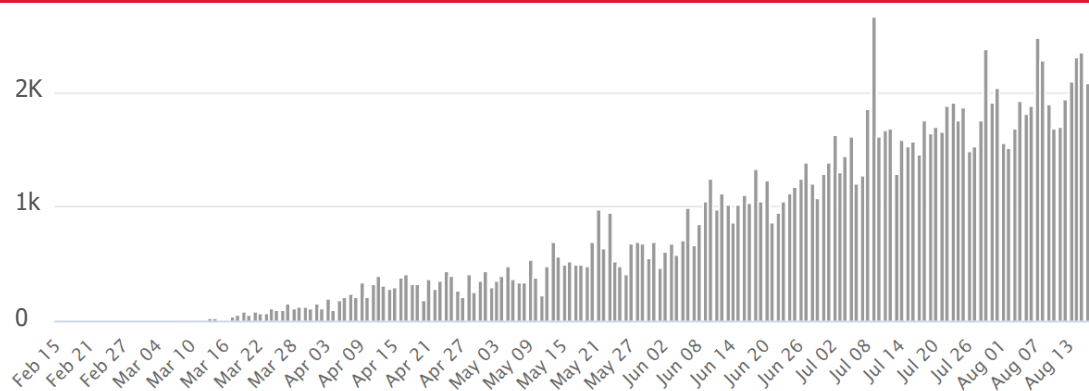
**Alison Watkins** Group Managing Director



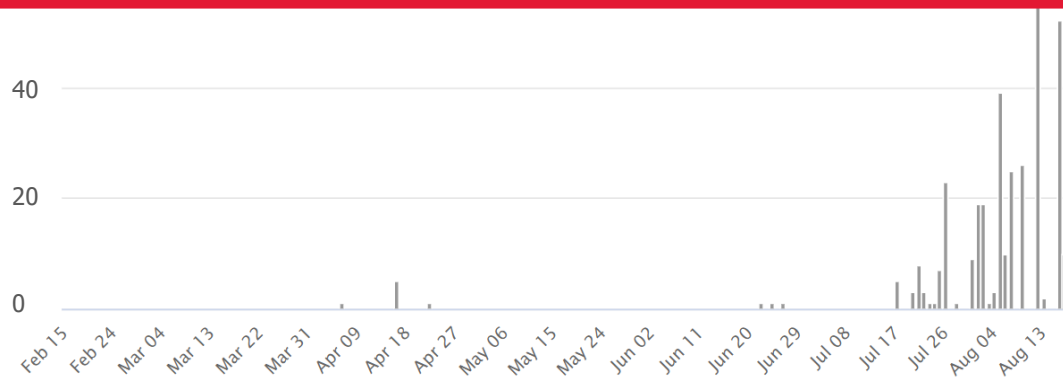


# SERIOUS HEALTH SITUATION IN INDONESIA & RECENT CASES IN PAPUA NEW GUINEA A CONCERN

## INDONESIA DAILY NEW COVID-19 CASES



## PNG DAILY NEW COVID-19 CASES

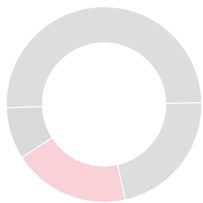


## INDONESIA

- Since Idul Fitri celebrations (24 May) daily infections continue to grow
- Economic outlook is weak
- Consumer sentiment and behaviour continue to reflect the uncertainty of the health crisis and macroenvironment:
  - Further focus on affordability
  - Increase of At Home occasion
  - Increased consumption through E-commerce and Digital platforms

## PAPUA NEW GUINEA

- Uptick in COVID-19 cases at end of July
- Majority of new cases reported in Port Moresby where a 14-day lockdown was announced, effective from 28 July.
- Slowing economy is forecast to contract sharply (-1.5%<sup>1</sup> GDP decline forecast for 2020)



# INDONESIA & PNG TRADING UPDATE – JULY AND 2 WEEKS OF AUGUST

Indonesia trading marked by volatility; PNG trading reflected promotional activity and impacts of COVID-19

## OUR PERFORMANCE

### INDONESIA

#### July

- Indonesia volume declined by 19.4%
- Subdued consumer confidence and reduced foot traffic due to rising COVID-19 cases and deterioration of macro factors
- Sparkling and Juice categories performed well, particularly the affordable pack range
- CCAI outlet penetration<sup>1</sup> of Sparkling increased year on year from 67% to 78%
- At Home packs (1.5L and 1L) delivered double digit volume growth as a result of increased focus on At Home occasions

#### August – Two weeks

- Volume declined by 20.3% reflecting current market conditions

### PNG

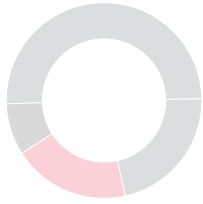
#### July

- Volume declined by 1.4% driven by lower demand for sparkling cans due to customers holding high levels of inventory built in June to take advantage of promotional activity

#### August - Two weeks

- Volume was flat as promotional activity on cans was resumed, offsetting the impact of the two-week lockdown in Port Moresby.





# INDONESIA - AREAS OF FOCUS IN 2H 2020

Intensified focus on the areas we can control

## AFFORDABILITY

- Reset price and drive availability of the 250ml Sparkling pack
- Building on the relaunch of Minute Maid Pulpy, leveraging the price reset, rebranding and new flavours implemented in February
- Continue to drive availability of Frestea Small Affordable packs through bundling and price promotions

## AT HOME CONSUMPTION

- Expanded availability of our multi-serve range (Sparkling, Tea, Juice and Water)
- Adjust media strategy to capture At Home consumption opportunity

## E-COMMERCE

- Increase presence in the E-commerce channels
- Develop our existing B2B partners relationships to expand penetration
- Capitalise on partnerships with key Food Aggregators to incorporate CCODs and wholesalers into their distribution networks

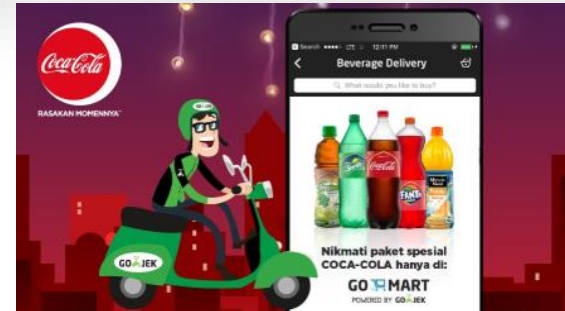
## EXECUTION

### SEGMENTED EXECUTION

- Range of programs tailored to each market segment

### OPERATIONAL IMPROVEMENT

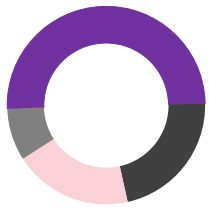
- Taking actions to further reduce cost base including a ~350 headcount reduction in supply chain



# GROUP STRATEGY & PROGRESS UPDATES

**Alison Watkins** Group Managing Director





# GROUP PRIORITIES / TRADING UPDATE

## 2020 VOLUME GROWTH BY MONTH % VS 2019

	APRIL %	MAY %	JUNE %	JULY %	AUGUST (Two weeks) %
<b>GROUP</b>	(33)	(26)	(9)	(5)	(3)
<b>AUSTRALIA</b>	(28)	(17)	(3)	3	0
<b>NEW ZEALAND</b>	(34)	(3)	4	0	13
<b>FIJI</b>	(51)	(26)	(29)	(19)	(6)
<b>INDONESIA</b>	(39)	(41)	(23)	(19)	(20)
<b>PNG</b>	(26)	6	8	(1)	0

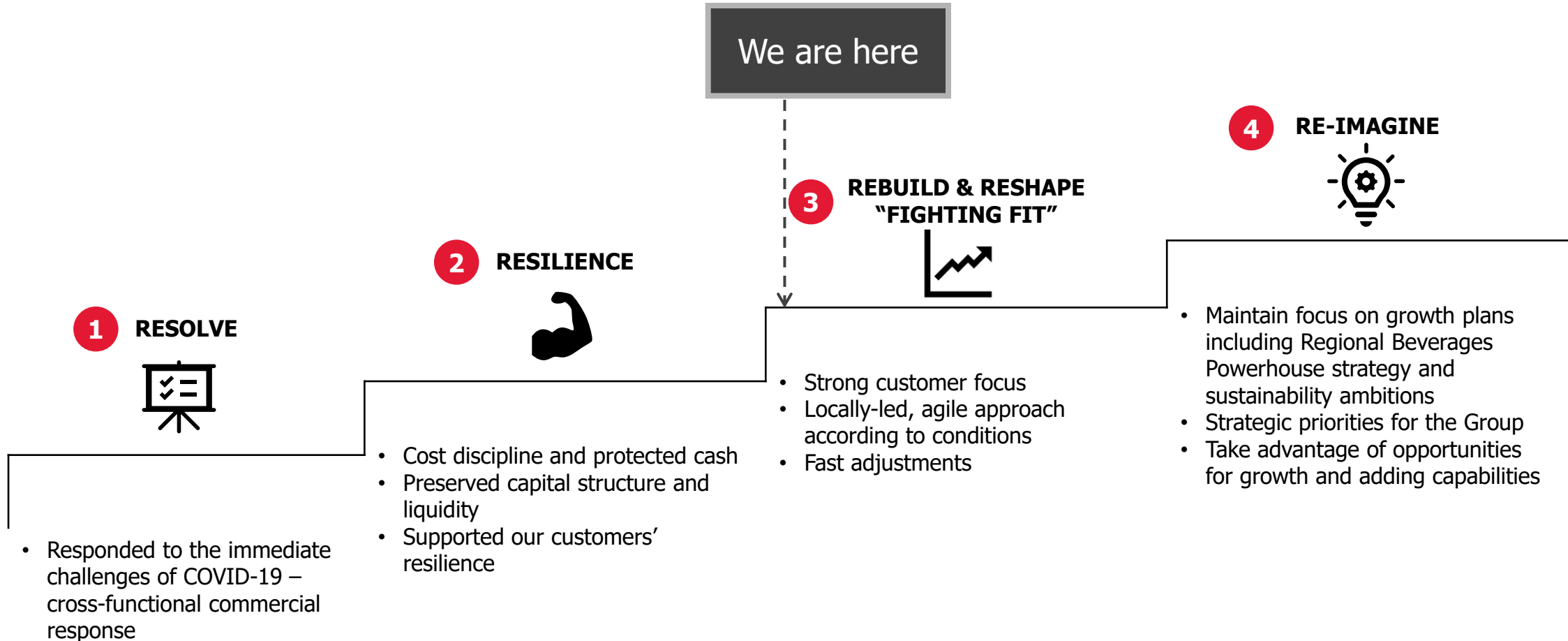
## BUSINESS SEGMENTS

- Positive volume trends in July and early August in the markets where restrictions were lifting (Australia and New Zealand)
- However, trading conditions remain volatile in Victoria due to reinstatement of restrictions; PNG and Indonesia due to the rising COVID-19 cases. Macroeconomic trends to continue uncertainty in Fiji
- Brand strength expected to continue with solid market share position
- At-home consumption patterns persisting in the recovery phase
- Q4 is a material trading period for all our segments

## GROUP

- Continue focus on Cash
- On track to deliver \$140m in cost savings in 2020
- Launched Fighting Fit to accelerate additional productivity initiatives with focus on:
  - Indonesia supply chain
  - Australia cost to serve and supporting functions
  - Group head office
- Reduced capex program for 2020 – targeting spend of \$200 million

# OUR FOCUS IN 2H 2020 IS TO BE FIGHTING FIT FOR THE TIMES



# WE ARE UNIQUELY PLACED TO EMERGE STRONGER

## FINANCIAL AND OPERATIONAL STRENGTHS

- Ample debt facilities, longer tenor, no debt covenants
- Significant liquidity
- Strong efforts to lower cost base
- Reduced capital spend following a consistent track record of investment in the business
- Remains highly cash generative



## CHANNELS

- Diversified RTMs/Channels
- Strengthened customer relationships
- Ability to flex resources as markets evolve
- Stronger presence in e-commerce and food aggregators platforms

## SHARE

- Further strengthened market share positions in the developed markets
- Stronger market position in At Home segments - Grocery



## STRONG PARTNERSHIPS

- Leading brands for the times
- Delivery of market outperformance
- Close alignment on plans and incentives
- Fast access to global insights

*The Coca-Cola Company*

*Beam* **SUNTORY**



## CONSUMER CENTRIC PORTFOLIO & BRANDS

- Beneficial trends – consumer preference for strong brands during uncertain times
- Broad range of at At-Home offerings
- Low/no sugar variants
- Leadership position in resilient categories - Cola and Energy



# QUESTIONS & ANSWERS





# APPENDIX





# CORPORATE & SERVICES

\$ MILLION	HY20	HY19	CHANGE %
<b>TRADING REVENUE<sup>1</sup></b>	<b>27.2</b>	<b>25.9</b>	<b>5.0</b>
Other revenue	5.3	7.2	(26.4)
Internal revenue <sup>2</sup>	58.6	63.8	(8.2)
Total revenue	91.1	96.9	(6.0)
Services costs <sup>3</sup>	(37.8)	(38.0)	(0.5)
Group office costs	(21.7)	(26.0)	(16.5)
<b>ONGOING<sup>4</sup> EBITDA</b>	<b>31.6</b>	<b>32.9</b>	<b>(4.0)</b>
<b>ONGOING EBIT</b>	<b>(4.8)</b>	<b>(6.0)</b>	<b>(20.0)</b>

1 Represents revenue mostly from our recycling business in South Australia

2 Revenue from the provision of support services to the other businesses. This revenue is eliminated on consolidation to produce the Group's financial statements.

3 Represents costs associated with our packaging services and South Australian recycling businesses

4 Ongoing refers to continuing operations results adjusted to exclude non-trading items

- **Trading revenue** increased by \$1.3 million driven by external preform sales. Other revenue decreased by \$1.9 million reflecting decline in coal mining royalties.
- **EBIT loss** of \$4.8 million improved compared to last year due to reduced Group Office costs as a result of the response to COVID-19, partially offset by lower coal mining income.





# CONTAINER DEPOSIT SCHEME UPDATE

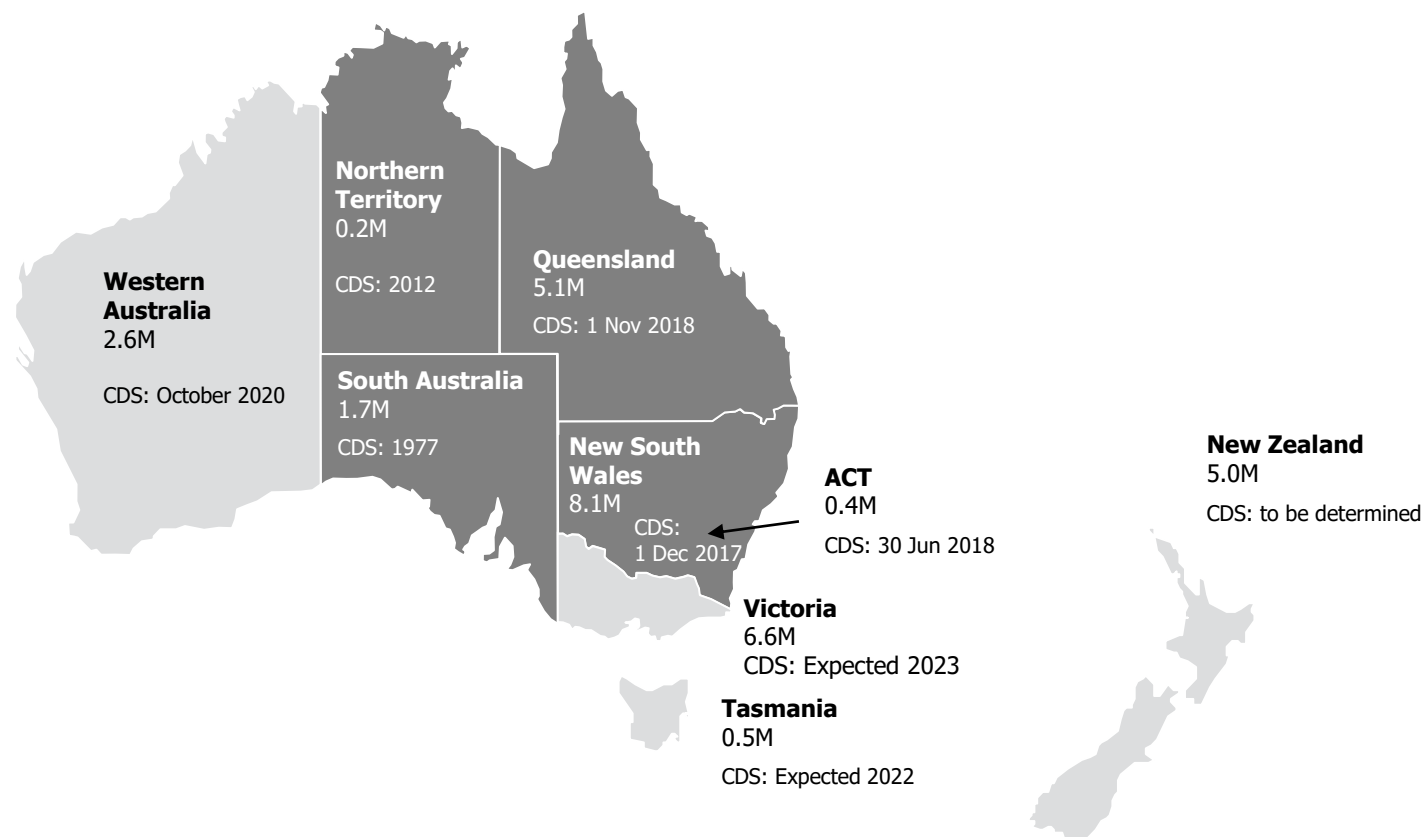
Western Australia container deposit scheme commencing 1 October 2020

## LEGEND

**Country/State**  
Population ('M)  
CDS: Launch Date

## CONTAINER DEPOSIT SCHEME STATUS

-  Currently operational
-  To be implemented



Source: ABS March 2019, Stats NZ Tatauranga  
Aotearoa March 2019

## CONTAINER DEPOSIT SCHEMES NOW COVER ~62% OF AUSTRALIA'S POPULATION

with Western Australia to implement  
in 2020, Tasmania in 2022, Victoria  
2023

## NEW ZEALAND IS CONSIDERING SCHEME DESIGN

Consultation is underway with timing  
yet to be determined

# GLOSSARY OF TERMS

Term	Definition
Amatil X	Amatil X is Coca-Cola Amatil's corporate venturing platform
C&P	Abbreviation of Convenience and Petroleum
DME	Abbreviation of Direct Marketing Expenditure
HORECA	Abbreviation of Hotels, Restaurants and Cafes. This channel includes hotels, mainstream cafés, specialty cafés, premium cafés, mainstream restaurants, contemporary restaurants and premium restaurants
Modern Trade	Indonesian channel including Hypermarkets, Supermarkets, Minimarkets and Modern Immediate Consumption
NARTD	Abbreviation of Non-Alcoholic Ready to Drink. Non-alcohol beverages, including sparkling and still categories
National On Premise	National accounts including Foodservice, Entertainment, Services and Accommodation, National QSR (Quick Service Restaurants - Includes fast food chains and drink and snack chains)
OTG	Abbreviation of On the Go. This channel includes State Immediate Consumption, HORECA, National On Premise, Vending and Licensed
PET	Polyethylene terephthalate. Used to describe our plastic bottle packs
RTM	Abbreviation of Route to Market
State IC	Abbreviation of State Immediate Consumption. State operational accounts, e.g. Takeaway Foodservice, Bakery, Mixed Business, Newsagents
Traditional Trade	Indonesian channel including Provision, Traditional Food Service and Wholesalers
Provision channel	General goods stores within the Traditional Trade channel



