

11 June 2019

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

Dear Sir/Madam

Attached is a copy of a presentation that Coca-Cola Amatil Limited's Group Chief Financial Officer, Martyn Roberts, will make at the Deutsche Bank's dbAccess Global Consumer Conference 2019 in Paris on 11 June 2019.

Yours faithfully



**Jane Bowd**

Group Company Secretary

**COCA-COLA AMATIL LIMITED** ABN 26 004 139 397





# 2019 DEUTSCHE BANK GLOBAL CONSUMER CONFERENCE

11 June 2019

Paris

**CCA**  
COCA-COLA AMATIL

**Martyn Roberts**  
Group Chief Financial Officer  
**Ana Metelo**  
Investor Relations Manager

# DISCLAIMER

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

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

# COCA-COLA AMATIL

## GROUP OVERVIEW

- Publicly listed Australian company (ASX: CCL; OTC: CCLAY)
- Market capitalisation approximately \$7.0B (6 June 2019)
- Top 10 Coca-Cola bottler globally
- FY18 Revenue \$4.8B
- FY18 EBIT from continuous operations (before non-trading items) \$634.5M
- FY18 NPAT from continuous operations (before non-trading items) \$388.3M
- Investment grade credit ratings (A3/ BBB+)

## INDUSTRY AND MARKETS

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

## REPORTING SEGMENTS

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



# GROUP STRATEGY





# OUR GROUP STRATEGY IS TO PERFORM AND GROW, UNDERPINNED BY A STRONG ORGANISATION

## PERFORM

Primary focus

### LEAD

#### Investment case

Predominantly a Coca-Cola franchisee with leading brands  
Route-to-market with scale and reach  
Large-scale, modern, low-cost infrastructure  
Steady cash flow from core Australia and New Zealand franchises  
Growth opportunities including Indonesia and Alcohol & Coffee providing upside

### EXECUTE

#### EBIT drivers

Revenue growth plans and continuous cost focus across the group

Targeting low single-digit EBIT growth

Targeting double-digit EBIT growth

Targeting double-digit EBIT growth

Core developed market franchises (Australia and New Zealand)

Developing markets (Indonesia, Papua New Guinea and Fiji)

Alcohol & Coffee and CPC

#### EPS drivers

Modest capex for developed markets

Growth capex for Indonesia funded

Continuous working capital management

Bolt-on acquisitions Capital management initiatives

### PARTNER

Targeting shareholder value creation

Mid single-digit EPS growth

Attractive dividends: above 80% payout ratio

Strong balance sheet  
Strong return on capital employed

## GROW

Greater focus

**GROWTH WITHIN**

**GROWTH BETWEEN**

**GROWTH BEYOND**

## STRONG ORGANISATION

Ongoing focus

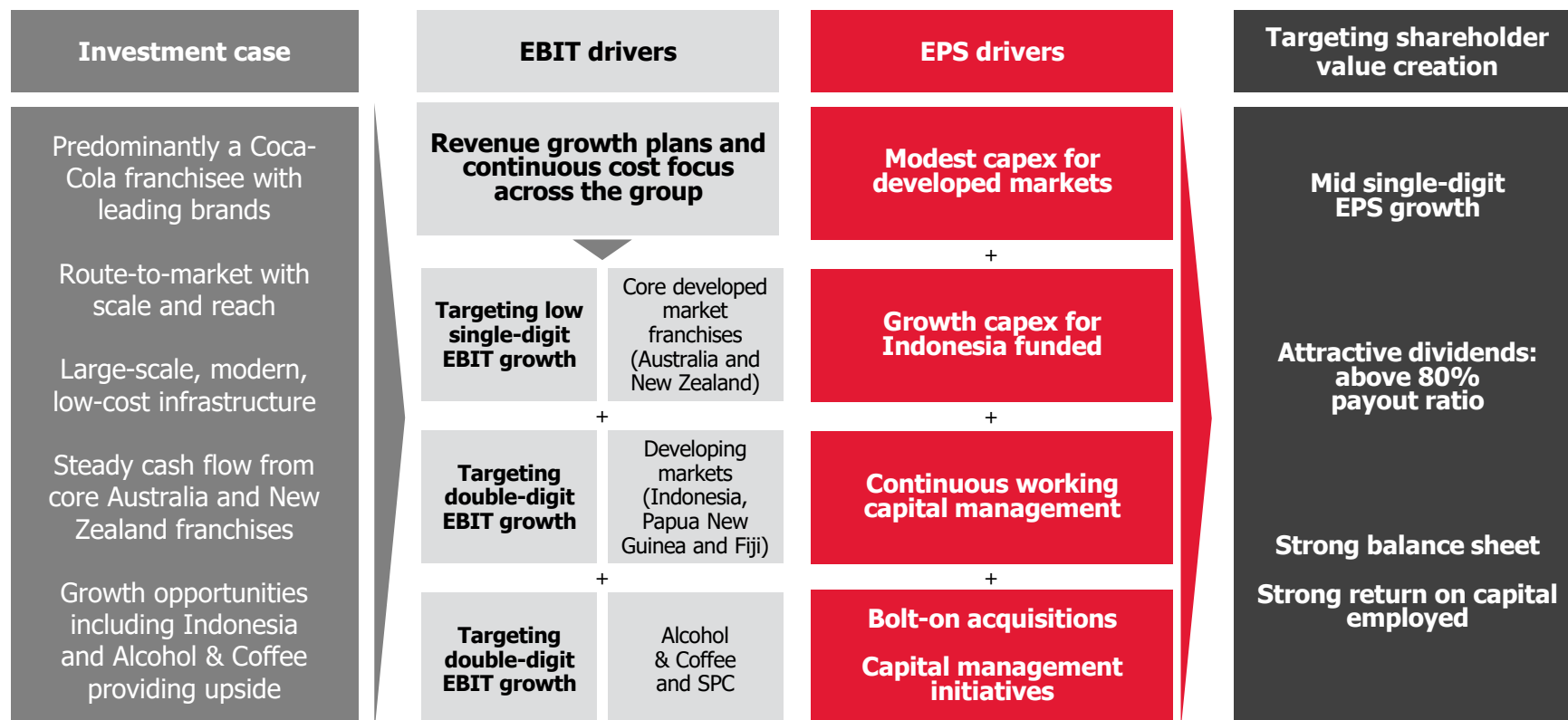
**FIT FOR PURPOSE**

**LEADERSHIP**

**REPUTATION AND TRUST**

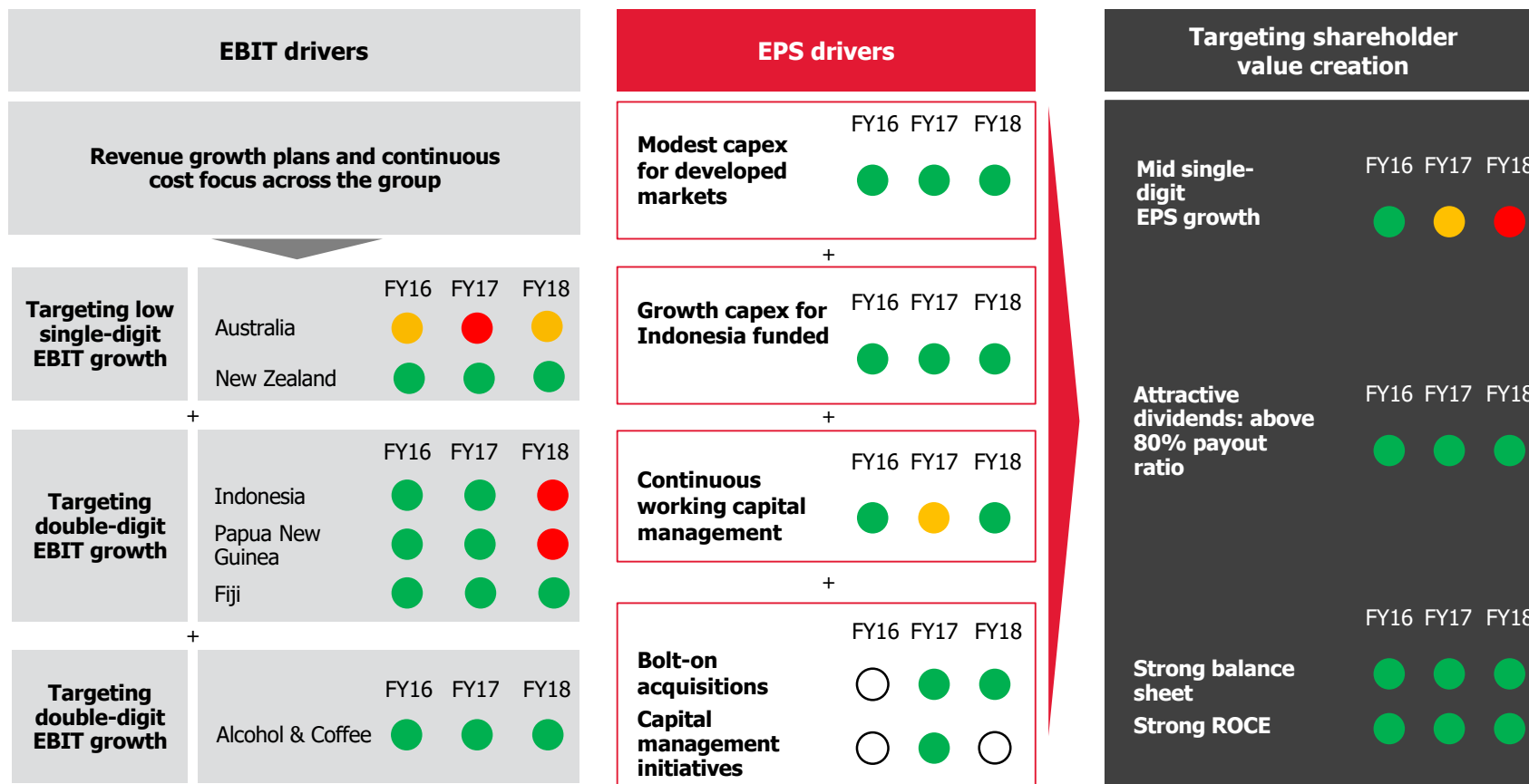
# SHAREHOLDER VALUE PROPOSITION

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



# PROGRESS AGAINST OUR SHAREHOLDER VALUE PROPOSITION

**Solid progress against many of the elements of our shareholder value proposition, with strong plans in place to drive continued improvements in Australia and Indonesia**





# ADDITIONAL DEVELOPMENTS

## SPC & AMATIL X UPDATES

### SPC

- In August 2018 announced the commencement of a strategic review of growth options for SPC, which coincided with completion of a four-year, \$100 million co-investment in conjunction with the Victorian Government
- In November 2018 the review was concluded and it was announced that the best way to unlock these opportunities is through divestment
- In June 2019 announced the sale of the business to Shepparton Partners Collective Pty Ltd for consideration of \$40 million payable at completion
- Taking into account forecasted working capital balances, working capital adjustments to the sale price and costs of disposal, a profit on sale of \$10-15 million is expected to be recorded upon completion. Both parties are targeting a completion date before the end of June
- The sale agreement also includes a four-year deferred payment which, subject to business performance, could result in up to an additional \$15 million of sale proceeds at that time
- Due to the realisation of recognised deferred tax assets, Amatil's ability to frank dividends will be significantly impacted in the short to medium term

### Amatil X

- Minority investments made in Doshi and Tabsquare in 2018, start ups designed to assist RECA customers
- Announced partnerships with three Australian scale-ups that have 'ready-to-go' ideas to improve delivery of efficiency and consumer experience
- Established operations in Indonesia to help accelerate local start-ups

## SUSTAINABILITY UPDATES

### Wellbeing

- Commitment to reduce the sugar across our portfolio of sales in Australia by 20 per cent by 2025, extending our previous commitment of 10 per cent by 2020
- 5.7 per cent reduction for non-alcoholic beverages portfolio sugar grams per 100ml in Australia and 3.2 per cent reduction achieved in New Zealand in 2018

### Packaging

- Signed up to the Australian National Packaging Targets, which included a range of ambitious targets including a commitment to 30 per cent average recycled content in all packaging by 2025
- Coca-Cola Australia and Coca-Cola Amatil announced a major increase in recycled plastic – 70 per cent of the plastic bottles manufactured in Australia will be made entirely from recycled plastic from 2020
- Support for The Coca-Cola Company's 2030 World Without Waste ambition to collect and recycle one container for every one sold



# 2019 OUTLOOK

## 2019 OUTLOOK

2019 will be the second year of a two-year transition phase for the Group.

- **Australian Beverages:** we will be positioned for growth in 2020 with the completion of the additional \$10 million of investment in our Accelerated Australian Growth Plan to increase our salesforce and, with container deposit schemes in NSW and Queensland substantially embedded by the end of 2019
- **Indonesia:** we are encouraged by the volume growth we delivered from April 2018 and will continue to deliver our Accelerate to Transform strategy with additional direct marketing expenditure to be invested in 2019; however macroeconomic conditions, weak Indonesian Rupiah, higher commodity costs and current consumer spending trends are expected to continue
- **New Zealand & Fiji, Papua New Guinea and Alcohol & Coffee:** expected to deliver growth in line with our Shareholder Value Proposition
- **Corporate & Services:** an EBIT loss of \$10 to \$12 million expected in line with the outlook provided in November 2018 due to lower property rental and services earnings, increased Group capability and investment in IT platforms

## NON-TRADING ITEMS

- As part of our cost optimisation programs in Australian Beverages, we are expecting one-off costs in 2019 of up to \$30 million
- We are pursuing additional opportunities within our Property Division which may result in one-off gains in 2019, partially offsetting the one-off costs

## TARGET FROM 2020 AND BEYOND

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





# 2019: CAPEX, DIVIDENDS AND BALANCE SHEET

## CAPITAL EXPENDITURE

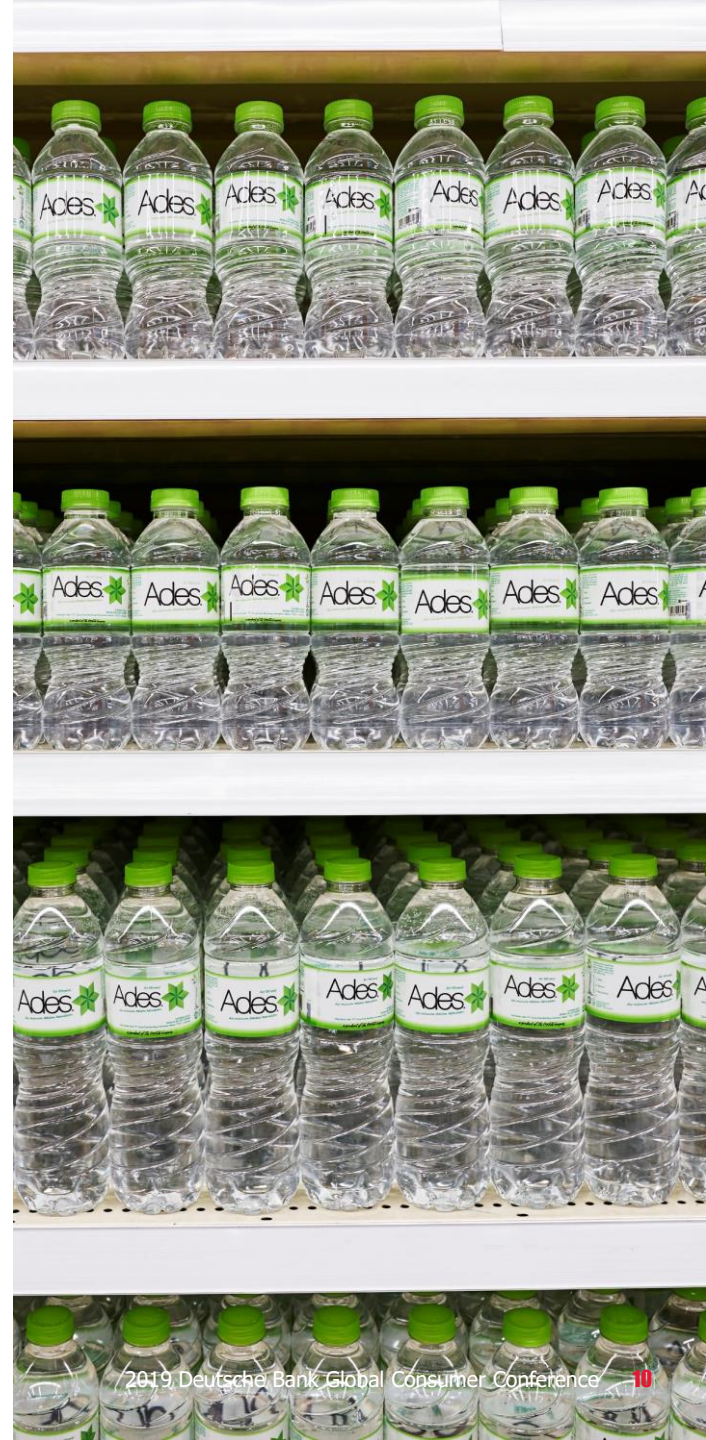
- 2019 Group capex expected to be similar to Group capital expenditure in 2018, reflecting the deferred payments from 2018 and continued deployment of capital in Indonesia, including a second affordable small sparkling pack line

## DIVIDENDS

- Continue to target medium term dividend payout ratio of over 80 per cent
- Due to the increasing proportion of earnings from outside Australia and the realisation of recognised deferred tax assets as a result of the sale of SPC, Amatil's ability to frank dividends will be significantly impacted in the short to medium term

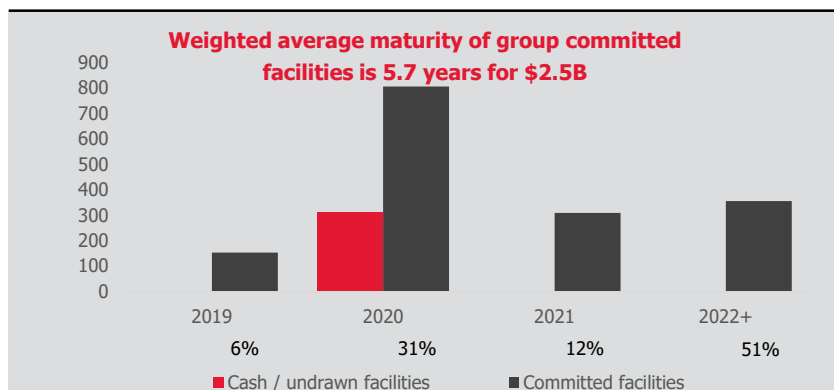
## BALANCE SHEET

- Balance Sheet to remain conservative with flexibility to fund future growth opportunities
- Expecting to maintain strong return on capital employed
- We will seek to maximise value for shareholders by pursuing additional opportunities within our Property Division

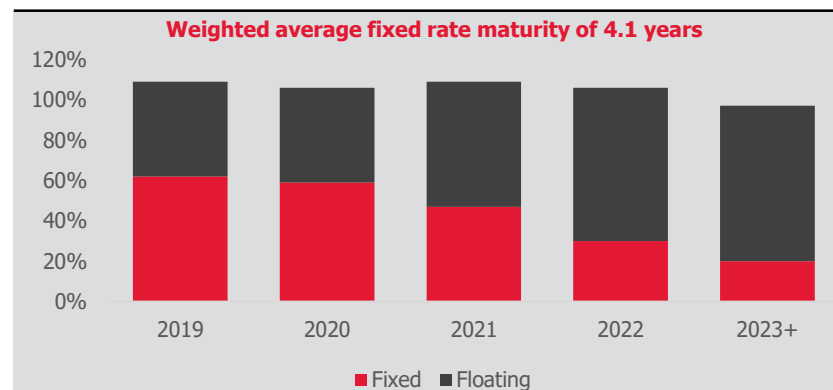


# STRONG BALANCE SHEET

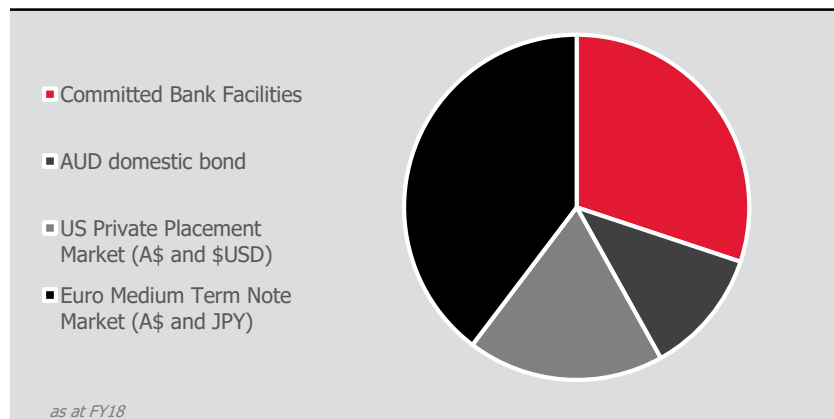
## Balanced debt maturities profile



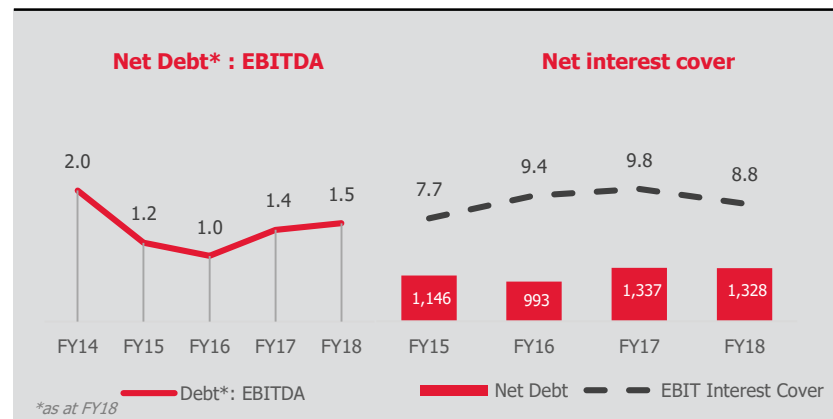
## Balance between certainty and cost for interest profile



## Diverse and cost effective funding



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



# SEGMENT RESULTS OVERVIEW

| Underlying EBIT \$ million              | FY18  | FY17  | Change % | % of Group underlying EBIT |
|---|-------|-------|----------|----------------------------|
| <b>Australian Beverages</b>             | 376.1 | 412.6 | (8.8)    | 59.3%                      |
| <b>New Zealand &amp; Fiji</b>           | 112.4 | 104.8 | 7.3      | 17.7%                      |
| <b>Indonesia &amp; Papua New Guinea</b> | 85.1  | 90.9  | (6.4)    | 13.4%                      |
| <b>Alcohol &amp; Coffee</b>             | 55.7  | 49.7  | 12.1     | 8.8%                       |
| <b>Corporate &amp; Services</b>         | 5.2   | 20.3  | (74.4)   | 0.8%                       |
| <b>Total Continuing Operations</b>      | 634.5 | 678.3 | (6.5)    |                            |

# AUSTRALIAN BEVERAGES





# ACCELERATED AUSTRALIAN GROWTH PLAN



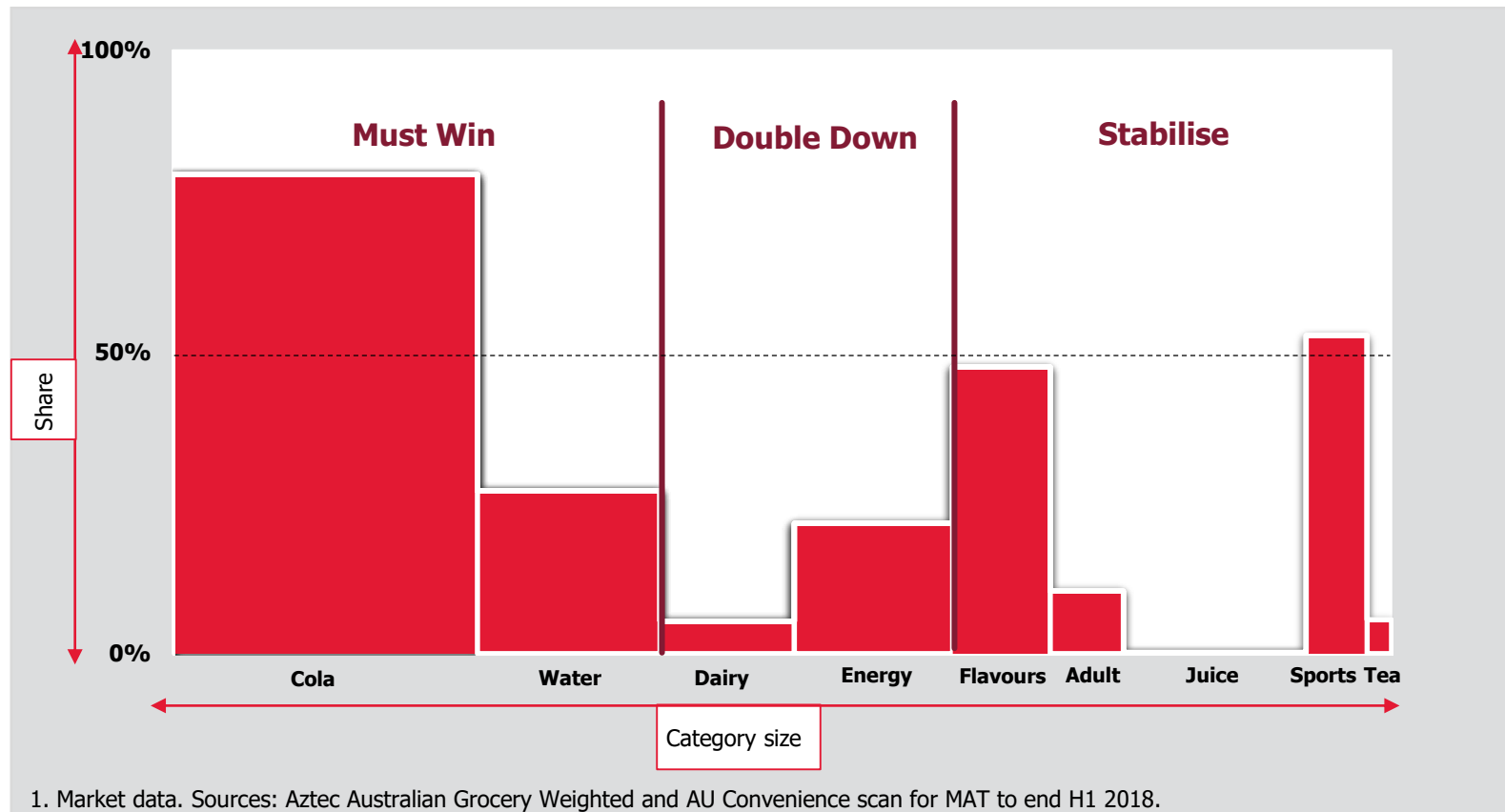
# OUR ACCELERATED AUSTRALIAN GROWTH PLAN

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

| STRATEGY   | LEAD   | EXECUTE   | PARTNER                              |                         |                                    |
|------------|--|---|--------------------------------------|-------------------------|------------------------------------|
| AMBITION   | <ul style="list-style-type: none"><li>• Maintain #1 NARTD position, winning NARTD market value growth</li><li>• A broad, innovative consumer-centric portfolio and best-in-market execution</li><li>• Make the “Total Beverages Company” strategy a market reality</li></ul> |   |                                      |                         |                                    |
| OBJECTIVES | REJUVENATE THE CORE  | DOUBLE DOWN IN GROWTH AREAS                     | CLOSE THE GAP AND CREATE NEW GAPS    |                         |                                    |
| CATEGORY   | MUST WIN   | STABILISE                                       | DOUBLE DOWN                          | ENTER                   |                                    |
|            | Cola Water   | Flavours, Tea, Juice, Sports, Adult             | Value added dairy Energy             | Emerging beverages      |                                    |
| CHANNEL    | MUST WIN   | STABILISE                                       | DOUBLE DOWN                          | ENTER                   |                                    |
|            | Grocery State IC   | National On Premise Direct to Consumer Licensed | Convenience & Petroleum RECA         | Online                  |                                    |
| ENABLERS   | Portfolio simplification and innovation  | Revenue growth management                       | Product and packaging sustainability | Overhauled S&OP process | Cost optimisation and reinvestment |

# COLA, WATER, DAIRY AND ENERGY CATEGORIES ARE CRITICAL TO DELIVER GROWTH

## Market Value composition<sup>(1)</sup> and Coca-Cola Amatil Share



# STRATEGY – CATEGORY

## REJUVENATE THE CORE: “MUST WIN” COLA & WATER

Encouraging signs in 2018. Sharpened focus and additional initiatives in 2019 to win in cola and water.

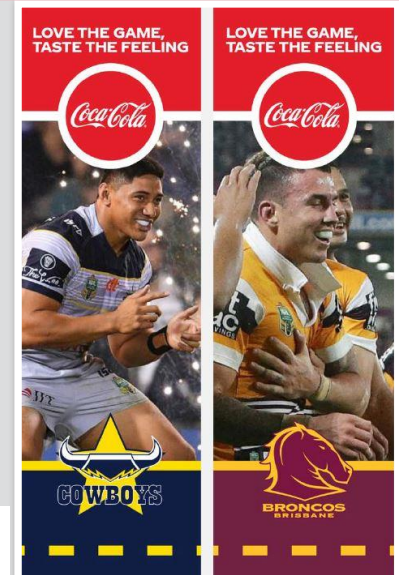
### PRIORITIES FOR FY19

1

Focus on key selling weeks with marketing and execution integration

- Importance of key selling weeks to overall performance: Summer, Easter, Football Finals, Christmas

### RECENT ACTIVITY



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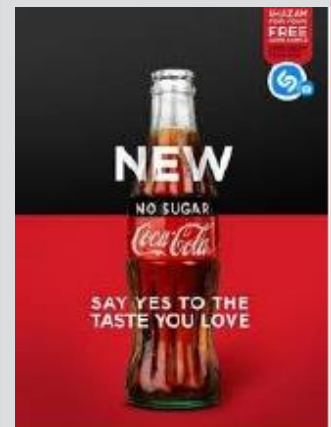
- Importance of key selling weeks to overall performance: Summer, Easter, Football Finals, Christmas

2

**Addressing sugar and sustainability**

- By the end of 2018 we reduced our sugar grams per 100ml in Australia by 5.7 per cent compared to the 2015 baseline; on track to achieve the 2020 goal with a strong reformulation program in 2019
- 7 in 10 plastic bottles made in Australia will be made entirely from recycled plastic by the end of 2019

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3

**Driving incidence via pack & meals**

- Focus on activation and pack innovation

### RECENT ACTIVITY





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#### Driving incidence via pack & meals

- Activation increases sales

4

#### Drive higher \$ / litre mix

- Product innovation to drive differentiation

### RECENT ACTIVITY



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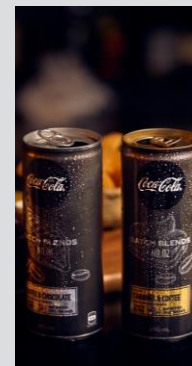
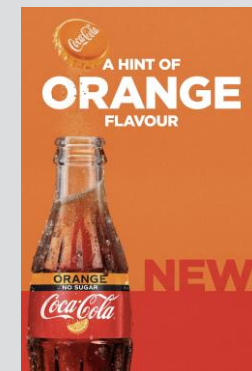
- Product innovation to drive differentiation

5

**Continue rotational flavors and other pack / product innovation**

- Driving excitement in cola

### RECENT ACTIVITY



# STRATEGY – CATEGORY

## DOUBLE DOWN: VALUE ADDED DAIRY & ENERGY

Continuing to expand the portfolio and improve execution to drive performance

### PRIORITIES FOR FY19

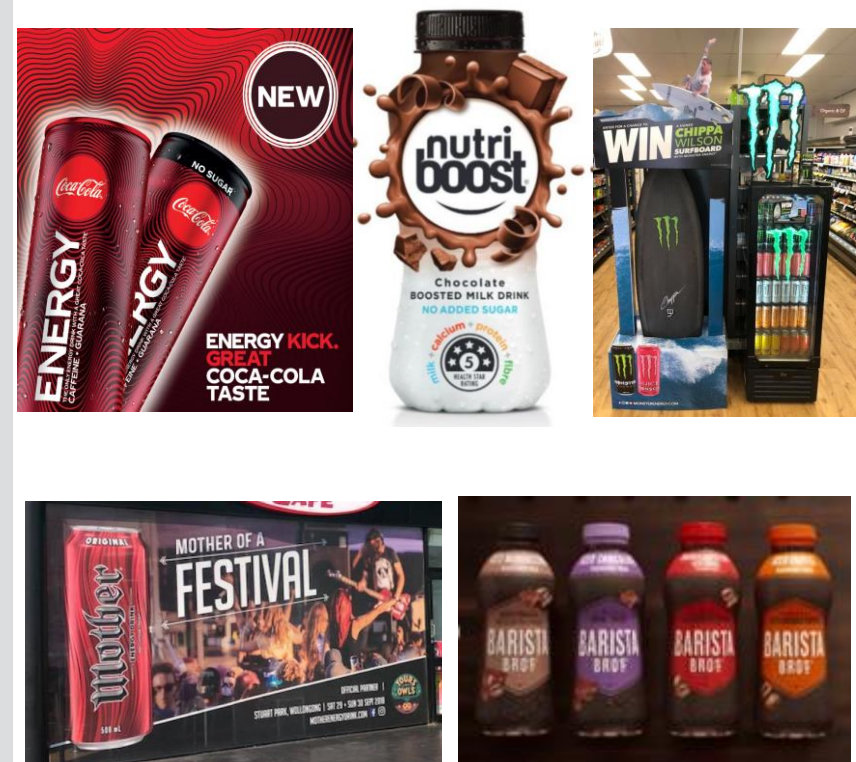
#### 1 Focus on volume per outlet

- Increase penetration, drive trial and increase promotional programs, supported by in-outlet activation

#### 2 Additional innovation and expanded range

- Capitalising on new trends and innovation:
  - Launched Nutriboost in May
  - Launching Coke Energy at the end of June

### RECENT ACTIVITY



# STRATEGY– CATEGORY ENTER: KOMBUCHA AND VALUE ADDED DAIRY & JUICE

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

## PRIORITIES FOR FY19

- Targeted execution of Mojo
- Distribution of Rokeby Farms and Impressed Juice to begin in 2H19
- Targeted test & learn opportunities

IMPRESSED



ROKEBY FARMS™



MOJO



# STRATEGY– CHANNEL

## “MUST WIN”: GROCERY

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

### **RANGE**

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

### **SPACE**

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

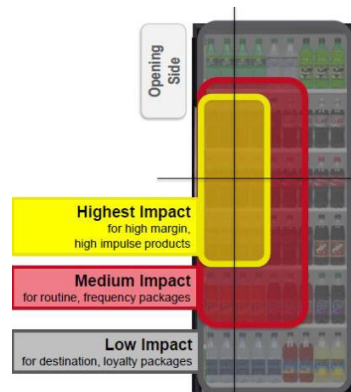
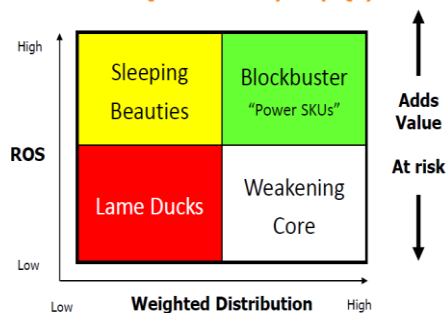
### **VISIBILITY**

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

### **PRICE**

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

Portfolio Quadrant Analyser (PQA)





# STRATEGY– CHANNEL

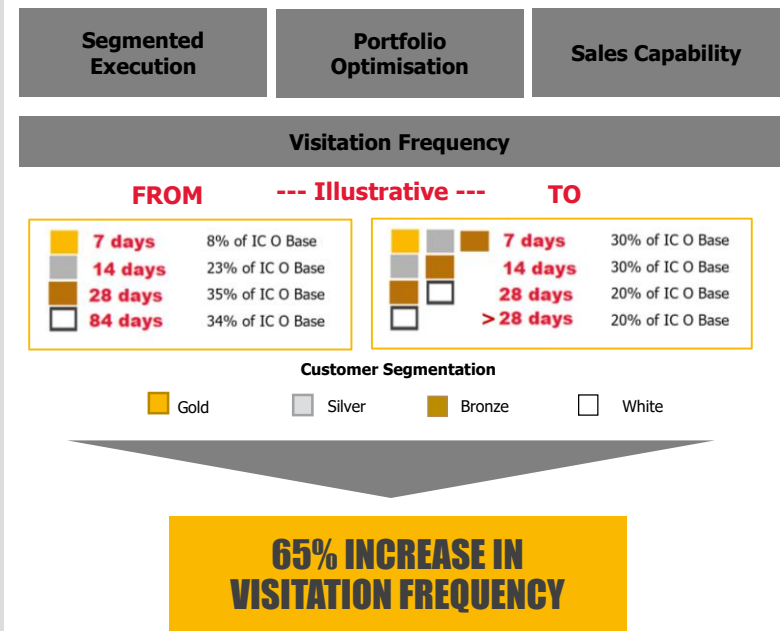
## “MUST WIN”: STATE IMMEDIATE CONSUMPTION

Precision availability and activation in the state immediate consumption channel will be driven by a segmented execution, portfolio optimisation and increasing the face to face customer experience

### PRIORITIES & PROGRESS

- Increase sales force dedicated to State Immediate Consumption channel by approximately 80 per cent
- This will result in a step change in our route to market in this channel
- Substantially increase our visitation frequency by approximately 65 per cent to:
  - Build stronger customer relationships
  - Allow more interactions to sell
  - Allow more time to activate
- Targeting to increase core range and category availability; improve cooler purity and improve other execution metrics
- Expecting an additional investment of ~\$10 million

### SIGNIFICANT CHANGE IN VISITATION FREQUENCY





# STRATEGY– CHANNEL DOUBLE DOWN: P&C AND RECA

Channel segmentation closely aligned to high growth value added dairy and energy categories

## PETROL & CONVENIENCE

- Two largest categories in this channel are value added dairy and energy
- Snacks and drinks bundles
- \$2 impulse coolers expansion




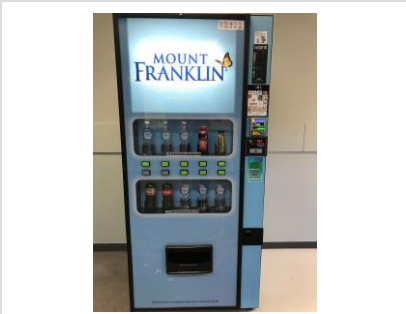
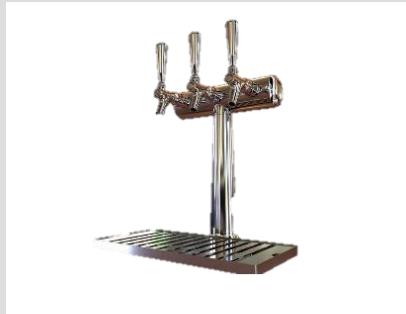
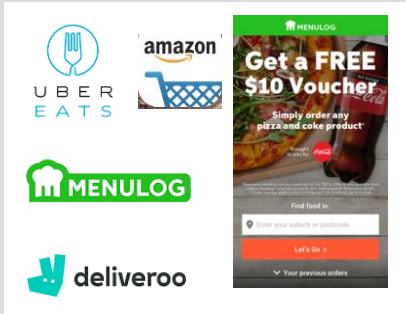
## RECA

- Embed Café/ Qantas Business Rewards
- Permanent RECA presence solution
- Drive menu presence (toolkit)
- New RECA coolers



# STRATEGY– CHANNEL STABILISE & ENTER

Greater focus on alignment and understanding customers' priorities

| NATIONAL ON PREMISE   | DIRECT TO CONSUMER  | LICENSED   | ONLINE   |
|---|---|--|--|
| <ul style="list-style-type: none"> <li>Additional customer re-signs and wins in 2018</li> <li>Focus on digital menu board activation</li> </ul> | <ul style="list-style-type: none"> <li>Drive towards cashless systems</li> <li>Additional coolers focussed on low and no kilojoule</li> </ul> | <ul style="list-style-type: none"> <li>Fountain price reset and presence</li> <li>Licensed premium packaged OBPPC</li> </ul> | <ul style="list-style-type: none"> <li>Extend our leadership as the #1 beverage supplier in digital B2B / B2C Building aggregator partnerships</li> <li>Evolve the National Sales Centre into the next generation customer experience</li> </ul> |
|    |   |   |    |

# STRATEGY– ENABLERS INITIATIVES TO SUPPORT THE PLAN

Several initiatives have been undertaken or are underway to support different elements of the Accelerated Australian Growth Plan

| PORTFOLIO<br>SIMPLIFICATION &<br>INNOVATION   | REVENUE GROWTH<br>MANAGEMENT   | COST<br>OPTIMISATION &<br>REINVESTMENT   | PRODUCT<br>PACKAGING &<br>SUSTAINABILITY   | OVERHAULED S&OP<br>PROCESS   |
|---|--|--|--|--|
| <ul style="list-style-type: none"> <li>Product quadrant analysis undertaken to enable portfolio / channel precision and define the optimal role for innovation</li> <li>Pilot in bakeries with new optimal portfolio range to validate and refine initiative</li> </ul> | <ul style="list-style-type: none"> <li>Program in place in 2019 to replicate a significant overhaul of our revenue growth management activities</li> </ul> | <ul style="list-style-type: none"> <li>Continue delivering on our cost optimisation programs</li> <li>Objective to strike the right balance between efficiency and engagement – “lean but not mean”</li> <li>\$10 million of additional investment in 2019 to maintain momentum</li> </ul> | <ul style="list-style-type: none"> <li>Product and packaging sustainability is crucial to permissibility, underpinning our future performance</li> <li>Commitment to reduce sugar grams per 100ml by 10% by 2020 and 20% by 2025</li> <li>100% of Coca-Cola Amatil packaging to be recyclable by 2025</li> </ul> | <ul style="list-style-type: none"> <li>A more streamlined and effective S&amp;OP process will enable greater accountability and harness the power of “healthy tension” to drive better outcomes</li> <li>Implemented in 3Q18</li> <li>Refinements and embedding expected to be complete in 2019</li> </ul> |

# CONTAINER DEPOSIT SCHEMES

**\$10.0 million from the accrual of unredeemed deposits and fees in NSW returned to the income statement in 1H18. Australian Beverages' volumes have been impacted by the implementation of container deposit schemes in NSW, the ACT and QLD and will continue to be impacted by the introduction of schemes in WA and Tas.**

## NEW SOUTH WALES

### FY18 OVERVIEW

- **Volume:** NSW volumes decreased 3.4 per cent, whereas National ex-NSW volumes decreased 0.4 per cent
- **Actions:** We reduced our CDS charge in NSW from 13.59 cents (excluding GST) to 10.91 cents (excluding GST) from 1 August reflecting lower than anticipated redemption rates
- **Accounting:** We had been accruing any unredeemed deposits and fees on our balance sheet
- At the half year end, we were required to credit \$10.0 million of this accrual to the income statement to reduce the accrual to an amount we believe is still payable under the scheme
- This credit was substantially returned to consumers through additional price investments in NSW in the second half

## OTHER STATES

### AUSTRALIAN CAPITAL TERRITORY

- Commenced 30 June 2018
- Similar to NSW scheme with charge from 1 August set at 10.91 cents (excluding GST) per eligible container

### QUEENSLAND

- Commenced 1 November 2018 with charge set at 10.38 cents (excluding GST) per eligible container
- Actively participating in administration of the scheme
- From the introduction of the scheme to date there's been a larger impact on volumes than experienced in NSW during the equivalent period

### WESTERN AUSTRALIA

- Targeting implementation in early 2020

### TASMANIA

- Expected to be rolled out by 2022

# NEW ZEALAND



# WE HAVE A CLEAR VISION WHICH DRIVES PERFORMANCE AND ENGAGEMENT

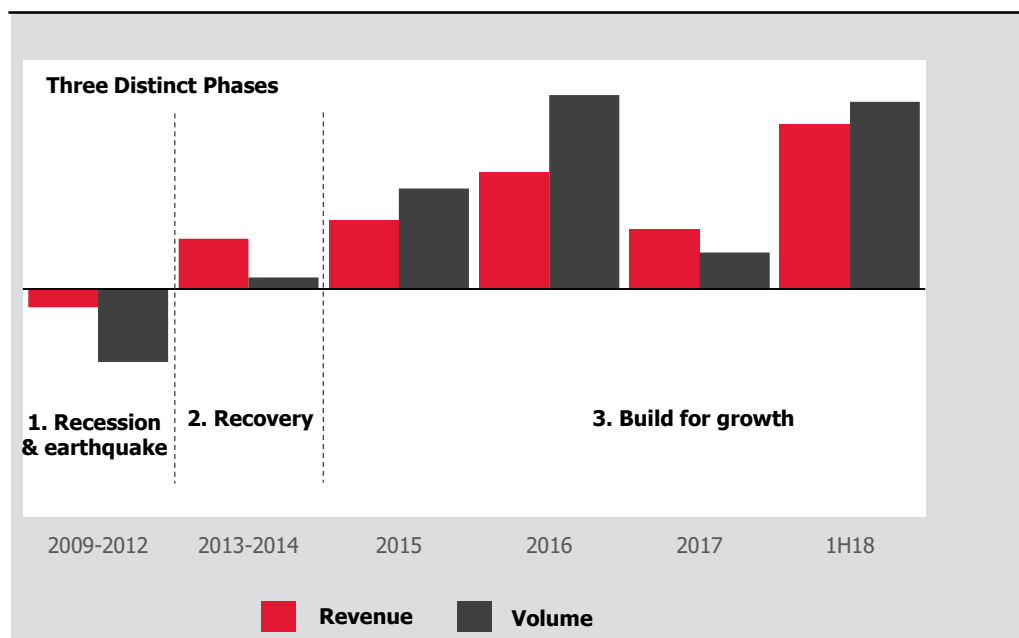




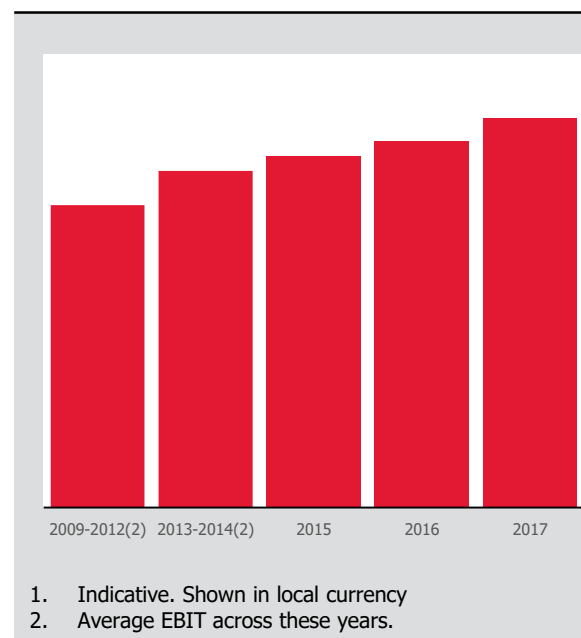
# WE ARE DELIVERING GROWTH

Our strategy, portfolio and broader customer base has delivered significant growth

Revenue & Volume growth rates 2012 to 2018 (percentage)



EBIT 2009 to 2017<sup>(1)</sup>



# INDONESIA

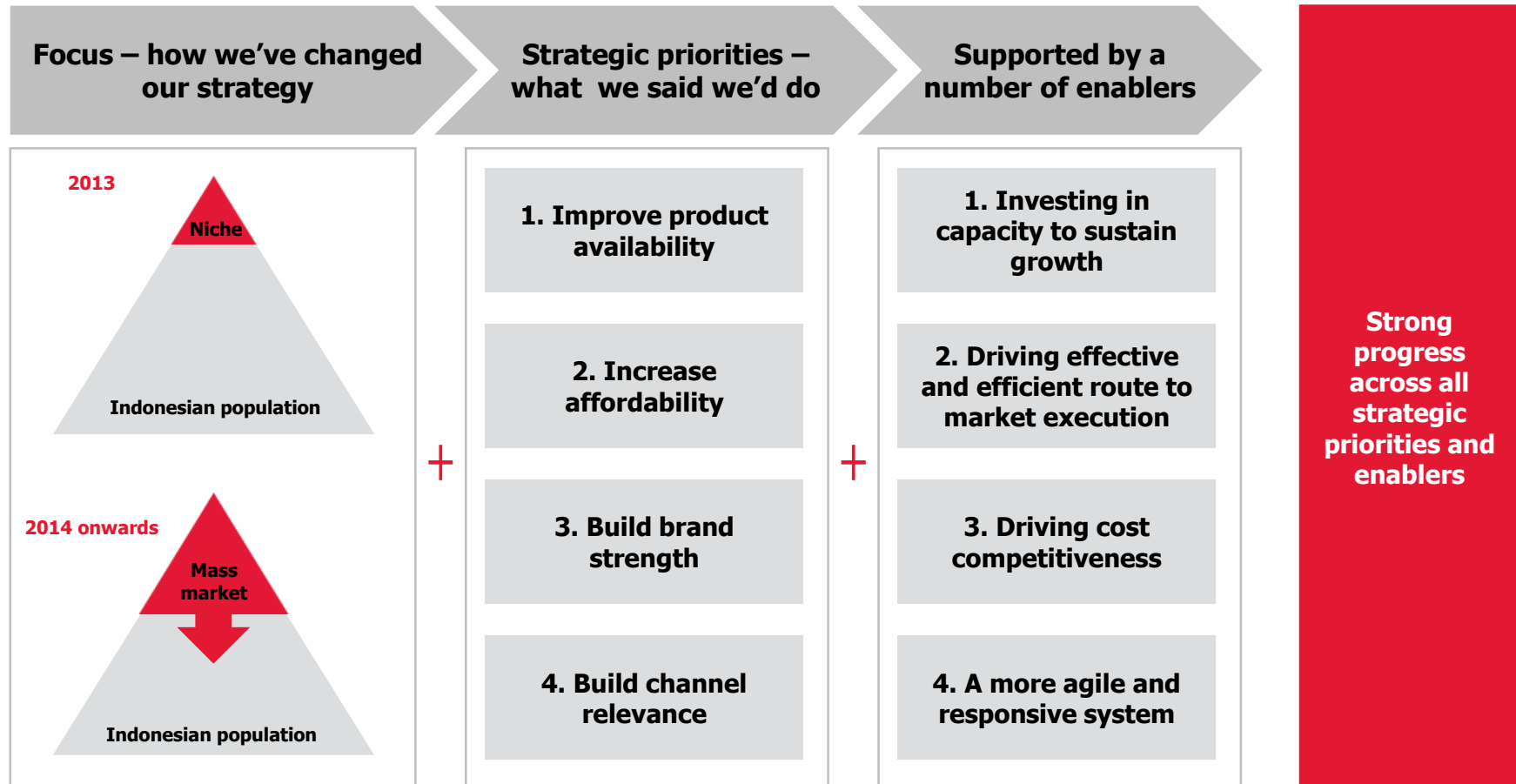


# ACCELERATE TO TRANSFORM



# ACCELERATE TO TRANSFORM

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



# ACCELERATE TO TRANSFORM – FOCUS AREAS

We have five areas of focus in the near term

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



# ALCOHOL & COFFEE



# ALCOHOL & COFFEE OVERVIEW

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

## ESTABLISHED BUSINESS

### Rank<sup>(1)</sup> Companies

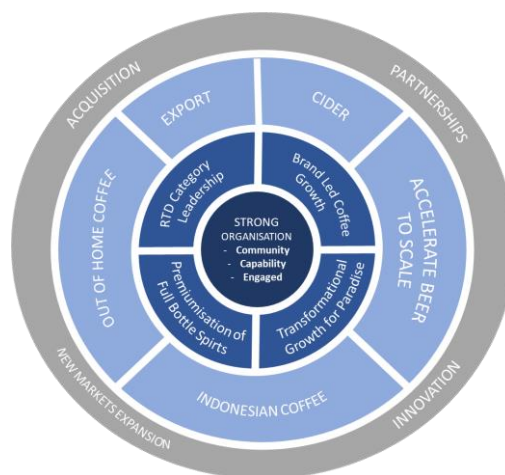
|    |                  |
|----|------------------|
| 1  | CUB              |
| 2  | Lion             |
| 3  | Diageo           |
| 4  | Coca-Cola Amatil |
| 5  | Treasury Wine    |
| 6  | Pernod Ricard    |
| 7  | Asahi            |
| 8  | Brown Forman     |
| 9  | Accolade Wines   |
| 10 | Coopers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

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

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

**4<sup>th</sup> largest alcohol beverage company in Australia**

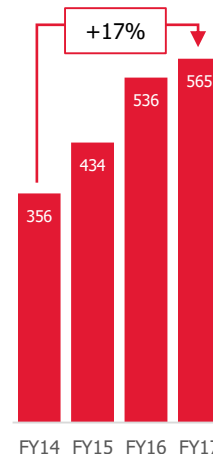
## CLEAR STRATEGY



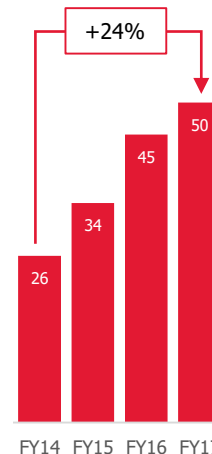
**Core established growth and Accelerate emerging growth opportunities**

## DELIVERING GROWTH

### Revenue CAGR






### EBIT CAGR



**Delivered an additional \$24M EBIT FY14 to FY17**

# OUR COMPETITIVE ADVANTAGES

With strong brand partners, a leading portfolio from brand partner and owned brands, and the ability to leverage a world-class route-to-market, we are well positioned to pursue growth opportunities

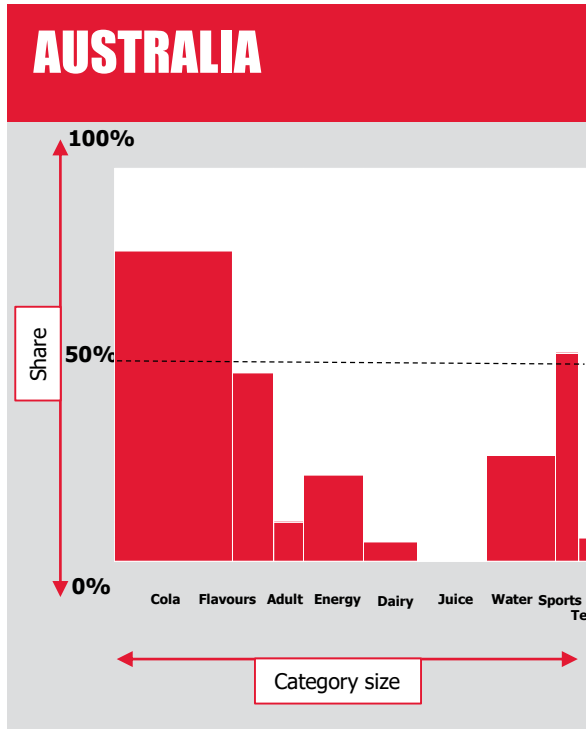
| LEAD   |   | EXECUTE   | PARTNER  |
|--|---|---|--|
| LEADING BRANDS   | OWNED BRANDS  | ROUTE-TO-MARKET   | STRONG PARTNERSHIPS  |
| <p>Access to world-class brands</p>  | <p>Freedom to innovate and build scale</p>  | <p>Leverage route to market with scale/reach and large scale low cost infrastructure</p>  | <p>Partnerships that deliver value creation</p>  |

# QUESTIONS & ANSWERS

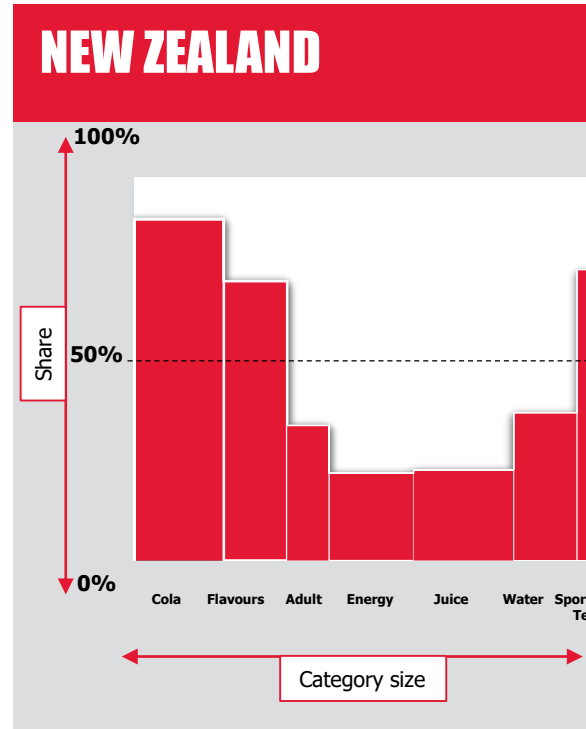


# OUR POSITION IN THREE KEY MARKETS

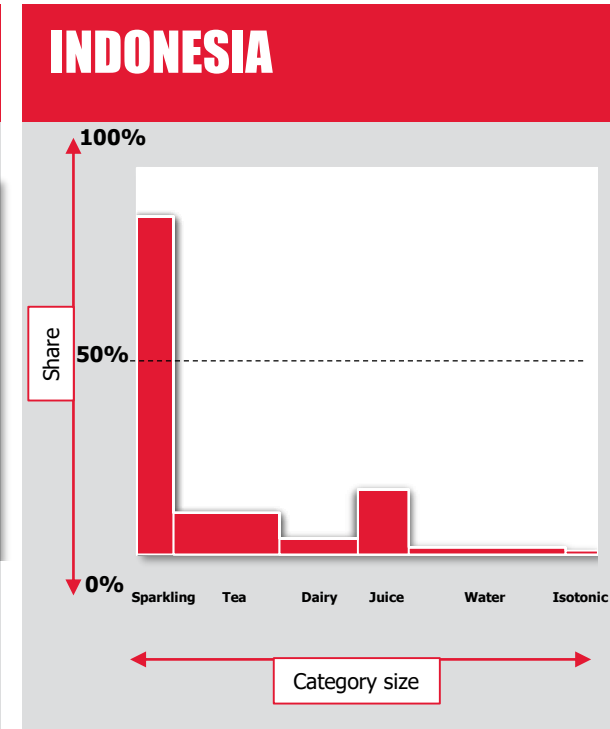
## Market value composition and Coca-Cola Amatil's share



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



Source: Nielsen; internal estimates. June 2018.



Source: Nielsen; October 2018.

# APPENDIX: AUSTRALIAN BEVERAGES





# STRATEGY– ENABLERS

## PORTFOLIO SIMPLIFICATION AND INNOVATION

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

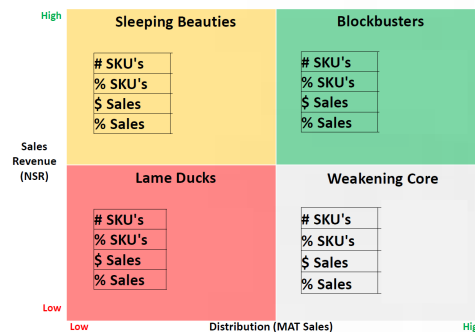
### PRIORITIES & PROGRESS

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

### PRODUCT QUADRANT ANALYSIS AND PRODUCT OPTIMISATION BY CHANNEL

#### Product Quadrant Analysis

National Bakery: Product Quadrant Analysis (PQA) Summary



--- Illustrative ---

#### Product and channel optimisation

FROM

TO

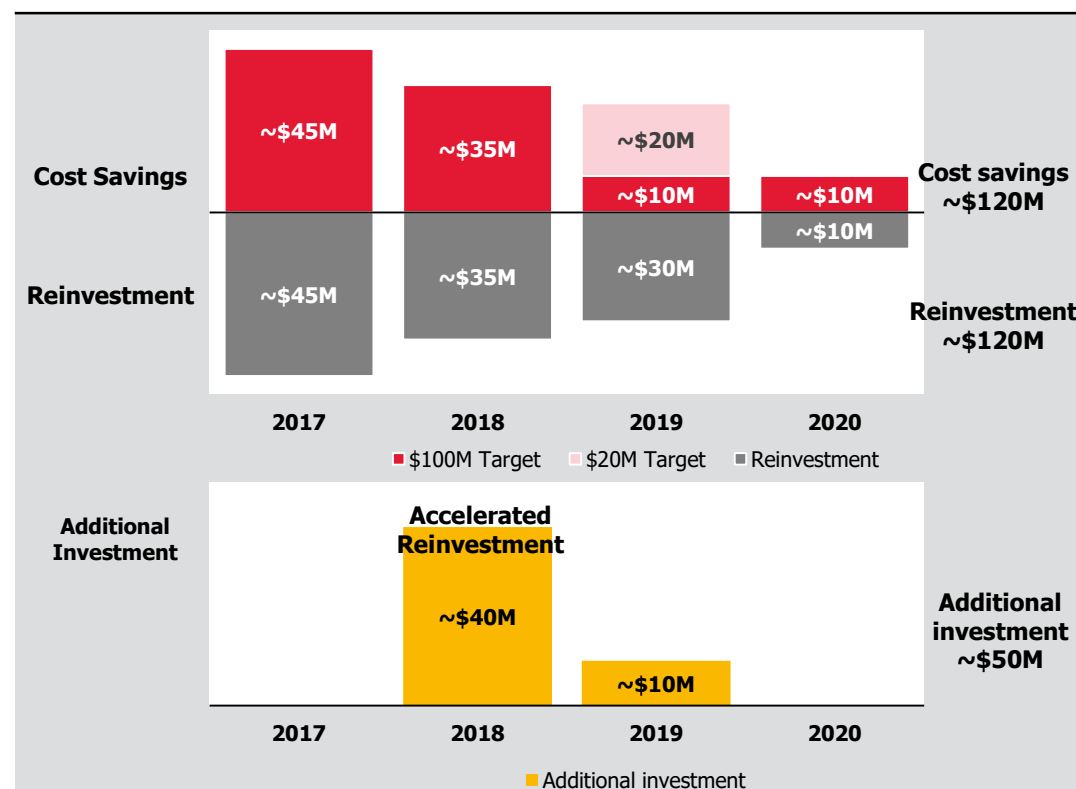


# STRATEGY– ENABLERS

## COST OPTIMISATION & REINVESTMENT

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

Indicative profile of cost optimisation and accelerated reinvestment



## COMMENTARY

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

# INDONESIA APPENDIX



# OUR MARKET SHARE

While we are very strong in the sparkling category we only have ~13 percent share of the overall NARTD value

Market value composition<sup>(1)</sup> and Coca-Cola Amatil Share

