

ASX Release

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COCA-COLA AMATIL 2019 INVESTOR DAY

Coca-Cola Amatil ("Amatil") is today hosting its 2019 Investor Day in Sydney, Australia.

Group Managing Director Alison Watkins said the Investor Day was an opportunity to provide an update on progress made in 2019 with Amatil completing the second year of its two-year transition program and positioning itself for growth from 2020.

Highlights of the Day

Group

- An outline of Amatil's long-term value creation model for shareholders and society
- A detailed review of the initiatives to unlock value for investors
- Outlook statement for 2019, 2020 and beyond

Finance

- Commentary on finance strategy and the drivers of the Shareholder Value Proposition

Sustainability

- The shift to 100 percent recycled materials for 7 out of 10 plastic bottles in Australia and almost 6 out of 10 in New Zealand, and world-first delivery of a 100 percent recycled plastic bottle for carbonated beverages
- Support for container deposit schemes
- Ceasing distribution of plastic straws and stirrers and focus on renewable and low-carbon energy sources in Amatil operations.

Wellbeing

- Progress against sugar reduction targets with a net 7 per cent reduction in Australia, 4.1 per cent in New Zealand and 7.8 per cent in Indonesia.¹

Australian Beverages

- Completion of additional investment in the Accelerated Australian Growth Plan, with solid results for the half to date but with the two largest selling months to come.

New Zealand

- Insights into drivers of performance success over recent years, and performance in the Candler Cup.

¹ Against the 2015 baseline

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Indonesia

- Completion of additional investment in Accelerate to Transform and introduction of new low- and low-sugar options to cater for demand.

2019 Outlook

Ms Watkins said the end of 2019 will mark the completion of a two-year transition period, with Amatil remaining committed to its Shareholder Value proposition targeting a return to mid single digit earnings per share (EPS) growth from 2020.

"Our Australian Beverages business is positioned for growth in 2020 with completion of the additional \$10million investment in our Accelerated Growth Plan and with container deposit schemes in NSW and Queensland substantially embedded this year.

"Indonesia has delivered consistent growth since April 2018. We will continue to deliver our Accelerate to Transform strategy with additional marketing in 2019 as we navigate soft macroeconomic conditions, a weak Indonesian Rupiah and subdued market growth.

"New Zealand & Fiji, Papua New Guinea and Alcohol & Coffee are expected to deliver growth in line with our Shareholder Value Proposition.

"Corporate & Services is expected to report an EBIT loss of approximately \$12 million.

"As part of our cost optimisation programs across the Group, we are expecting pre-tax one-off costs in 2019 of around \$40 million which will be partially offset by one-off gains of approximately \$14 million from property sales primarily being the sale of our Thebarton site.

"We're particularly encouraged by the continued strong performance of Coca-Cola Trademark beverages, in Australia and globally, led by the increased availability of low- and no-sugar options like Coca-Cola No Sugar.

"That's a testament to Coca-Cola No Sugar's great taste, and to the consumer trend toward low- and no-sugar choices. We've heard the message on consumer wellbeing, and we're delivering with low- and no-sugar options for our major beverage brands."

Investor Day materials also note global growth for Coca-Cola Trademark brands, up six per cent worldwide in 2018 and seven per cent for Q1 2019.

Ms Watkins said Amatil's plans envisage higher profit growth in the second half of 2020 than the first half.

As always, delivery of the Shareholder Value Proposition would continue to depend on the success of revenue growth initiatives in Australia, Indonesian economic factors and regulatory conditions in each market.



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