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# 2019 INVESTOR DAY

**15 November 2019**  
Sydney, Australia

**CCA**  
COCA-COLA AMATIL

**Alison Watkins**  
Group Managing Director

**Martyn Roberts**  
Group Chief Financial Officer

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

**Peter West**  
Managing Director, Australia

**Ana Metelo**  
Group Head of Investor Relations

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

# SAFETY & HOUSEKEEPING

## SAFETY & HOUSEKEEPING

### SAFETY

Evacuation procedure

Bathrooms

Refreshments

### HOUSEKEEPING

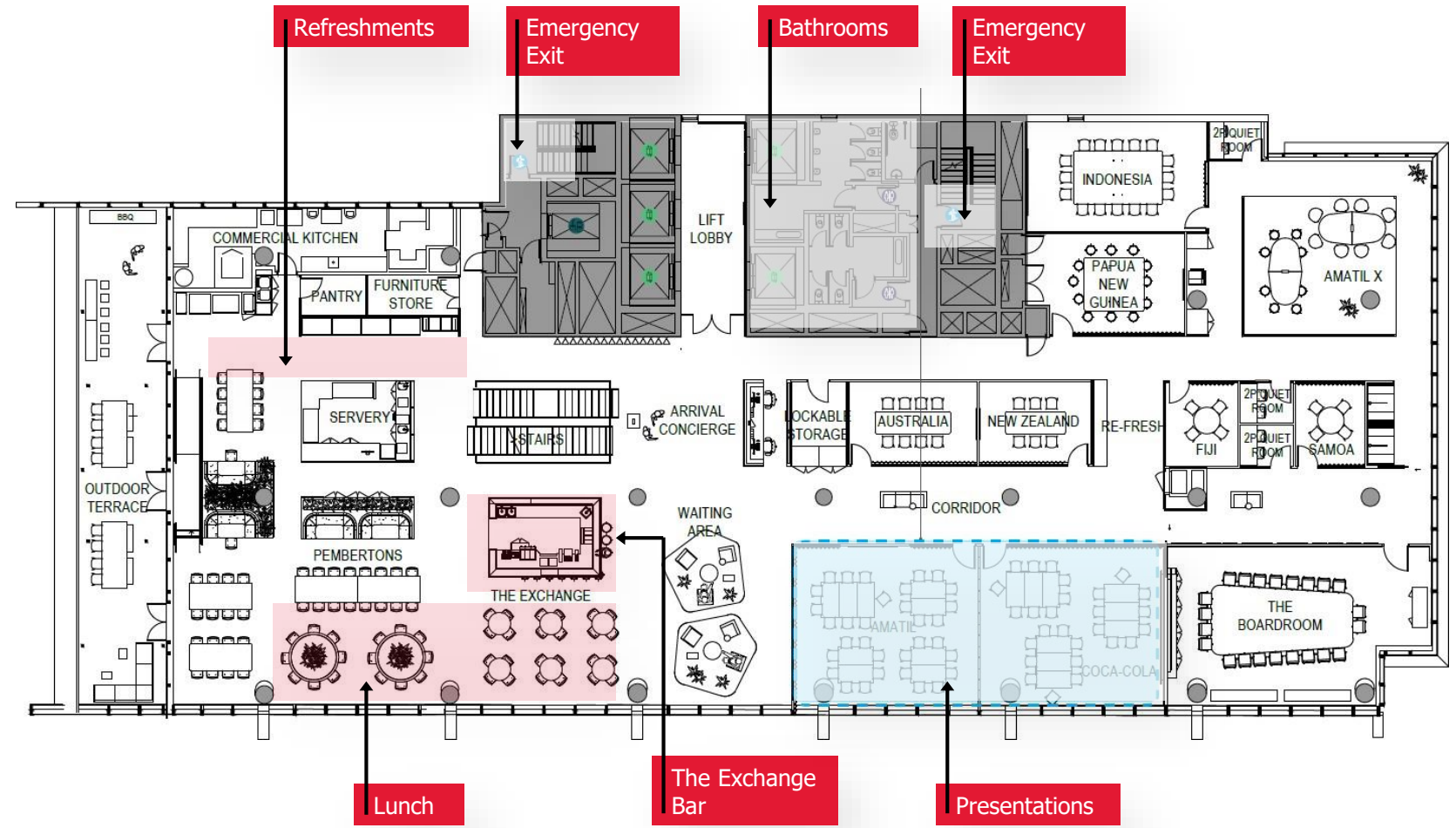
Webcast

Mobiles

Wi-fi









Questions & Answers

Feedback



# AGENDA

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10.30am – 11:00am	<b>Welcome Registration</b>			
11:00am – 12:00pm	<b>Group Overview</b>	Alison Watkins		
12:05pm – 12:25pm	<b>Finance</b>	Martyn Roberts		
12:30pm – 12:50pm	<b>New Zealand</b>	Chris Litchfield		
12:50pm – 1:50pm	<b>Lunch</b>			
1:50pm – 3:20pm	<b>Australia</b>	Peter West		
3:30pm – 5:00pm	<b>Drinks</b>			

# GROUP OVERVIEW

**Alison Watkins**  
Group Managing Director



# GROUP OVERVIEW

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**OUR GROUP  
LEADERSHIP TEAM**

01

**WE ARE  
COCA-COLA AMATIL**

02

**PURPOSE,  
VALUES,  
STRATEGY &  
VALUE CREATION**

03

**STRONG  
FOUNDATIONS  
BUILT SINCE 2014**

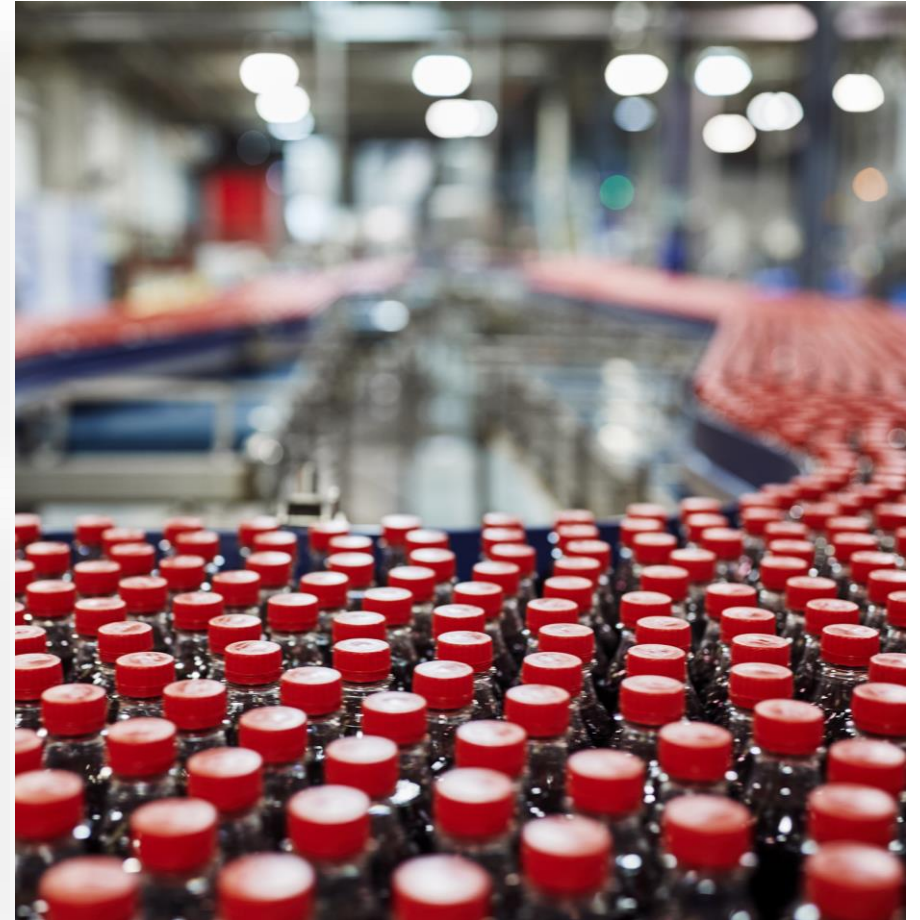
04

**WELL POSITIONED  
TO GROW**

05

**OUTLOOK**

06



# GROUP LEADERSHIP TEAM

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**ALISON  
WATKINS**

Group Managing  
Director



**MARTYN  
ROBERTS**

Group Chief  
Financial Officer



**BETTY  
IVANOFF**

Group Director, Legal  
& Corporate Affairs



**DEBBIE  
NOVA**

Group Chief  
Information Officer



**KATE  
MASON**

Group Director,  
People & Culture



**PETER  
WEST**

Managing Director,  
Australia



**KADIR  
GUNDUZ**

Managing Director,  
Indonesia & PNG



**CHRIS  
LITCHFIELD**

Managing Director,  
New Zealand & Fiji



# GROUP STRATEGY

**Alison Watkins**  
Group Managing Director





# WE ARE COCA-COLA AMATIL

**Alison Watkins**  
Group Managing Director



# WE ARE COCA-COLA AMATIL

## OVERVIEW

We work across a diverse group of mature and high-growth geographies with an **unrivalled portfolio of beverages**

**We have an extensive network** to prepare, package, sell and distribute beverages

**Our largest shareholder, supplier and brand partner – The Coca-Cola Company** – is the world's leading non-alcoholic beverage company

Through our relationship with The Coca-Cola Company and other brand partners **we have access to a broad portfolio of leading brands in a diverse range of categories**, underpinned by best-in-class marketing and product innovation

Our relationship with The Coca-Cola Company is marked by **a new level of financial and strategic alignment as well as a shared vision of growth that positions us to win**



# WE HAVE AN EXTENSIVE NETWORK TO PREPARE, PACKAGE, SELL AND DISTRIBUTE BEVERAGES

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**880,000+**

Customers

**~12,000**

Employees

**140+**

Brands

**44**

Warehouses

**33**








Production Facilities

**6**


Countries

**1 COCA-COLA AMATIL**



## KEY


-  Production facilities
-  Warehouses
-  Production lines
-  Brands
-  Customers (approx.)
-  Employees (approx.)
-  Coolers

## INDONESIA

 8  39

 14  9



 711,000  5,900


 354,000

## PAPUA NEW GUINEA

 2  5

 8  10



 13,000  740


 16,600

## FIJI


 1  4

 2  13



 3,000  300

 4,600

## ALCOHOL & COFFEE<sup>1</sup>

 9  20



 5  107<sup>2</sup>


 3,050  815<sup>3</sup>

## AUSTRALIA

 9  32

 12  27



 114,000  3,100


 130,000

## NEW ZEALAND

 4  11

 3  30

 16,000  1,000

 32,000

1. Includes all Alcohol & Coffee operations across Australia, New Zealand, Fiji, Samoa and Indonesia, and excludes shared facilities with other Amatil businesses. 2. Includes all brands distributed by Amatil both as brand owner and brand partner, including those distributed under agreement with Beam Suntory, Molson Coors & Chilli Marketing 3. Including contractors

# THE COCA-COLA COMPANY IS THE GLOBAL LEADER IN BEVERAGES



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-  **133** years
-  **200+** countries
-  **225+** bottlers
-  **500+** brands
-  **\$31.9B<sup>1</sup>** of sales

 <b>BEVERAGES AND BRANDS PEOPLE LOVE</b> Worldwide in value  SPARKLING SOFT DRINKS  JUICE, DAIRY & PLANT  WATER, ENHANCED WATER & SPORTS DRINKS  READY-TO-DRINK TEA & COFFEE	 <b>NEW PRODUCT DEVELOPMENT</b> ~600 New Products Launched in 2018 across the Coca-Cola System	 <b>WORLD WITHOUT WASTE</b> 2025 100% recyclable packaging globally 2030 Recycle one bottle or can for every one we sell	 <b>THE COCA-COLA SYSTEM ADVANTAGE</b> \$125b+ investment with bottling partners globally since 2010	 <b>SOUND GROWTH<sup>2</sup></b> Double-digit volume growth in Coca-Cola No Sugar 3% global volume growth in Coca-Cola Trademark Gained value share in total non-alcoholic ready-to-drink (NARTD) beverages
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# A PHILOSOPHY OF CLOSE ALIGNMENT BETWEEN THE COCA-COLA COMPANY AND BOTTLERS IS AT THE HEART OF OUR RELATIONSHIP

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## SYSTEM OPERATIONAL MODEL

### OVERVIEW

Our relationship with The Coca-Cola Company is governed by the Bottlers Agreements we have in the various markets in which we operate. These agreements define the respective rights and functions of Coca-Cola Amatil and The Coca-Cola Company. We have been a Coca-Cola bottler and distributor since 1965. In 2016 we renewed our Australian Bottling Agreement for 10 years.

### KEY FUNCTIONS

#### Coca-Cola Amatil

- Prepare and package finished products
- Preform manufacturing
- Bottling capex investment
- Product distribution & sales
- Customer execution
- Exclusivity: agreed Coca-Cola Company products in Australia, New Zealand, Indonesia<sup>1</sup>, Fiji, PNG and Samoa

#### The Coca-Cola Company

- Product innovation
- Research & development
- Supply of concentrates and beverage bases
- Consumer marketing
- Exclusivity: agreed Coca-Cola Company products in Australia, New Zealand, Indonesia<sup>1</sup>, Fiji, PNG and Samoa

#### Areas of Close Collaboration

- Beverages For Life
- World Without Waste
- Portfolio Strategy
- Revenue Growth Management
- Data & Insights
- Capability Sharing

## RELATIONSHIP PRINCIPLES



Agreed strategy and plans



Aligned financial incentives



Established management routines



Complementary skills & organisational structure



Growth mindset

<sup>1</sup>Exception: Northern Sulawesi

# OUR RELATIONSHIP WITH THE COCA-COLA COMPANY AND OTHER BRAND PARTNERS GIVES US AN UNRIVALLED PORTFOLIO

## COCA-COLA TRADEMARK

~19% of NARTD Value <sup>1</sup> in Australia and New Zealand combined

Over 50% penetration in Australian households of Coca-Cola Trademark products in the last year <sup>2</sup>

Coca-Cola continued to improve scores<sup>3</sup> on key consumer metrics:

- ↑ A brand I love
- ↑ Goes well with food
- ↑ An uplifting drink



<sup>1</sup> MAT September 2019. Excludes Frozen and Coca-Cola Energy

<sup>2</sup> MAT August 2019

<sup>3</sup> YTD September 2019

## OTHER COCA-COLA BRANDS



## BRANDS FROM OTHER MAJOR BRAND PARTNERS

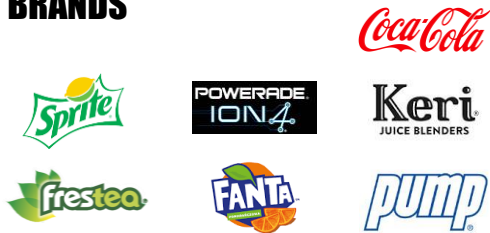


# COCA-COLA SYSTEM BENEFITS

We have a strong relationship with The Coca-Cola Company, and leverage significant business benefits from this partnership

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## ACCESS TO LEADING BRANDS



## INNOVATION PIPELINE



## STRENGTHENED M&A CAPABILITY



## SHARE KNOWLEDGE AND TALENT BETWEEN COCA-COLA BOTTLERS



## ACCESS TO DATA AND INSIGHTS



## LEVERAGE COCA-COLA SYSTEM PROCESSES FOR RESPONSIBLE SOURCING

Cross Enterprise Procurement Group  
The Coca-Cola Company's Supplier Guiding Principles

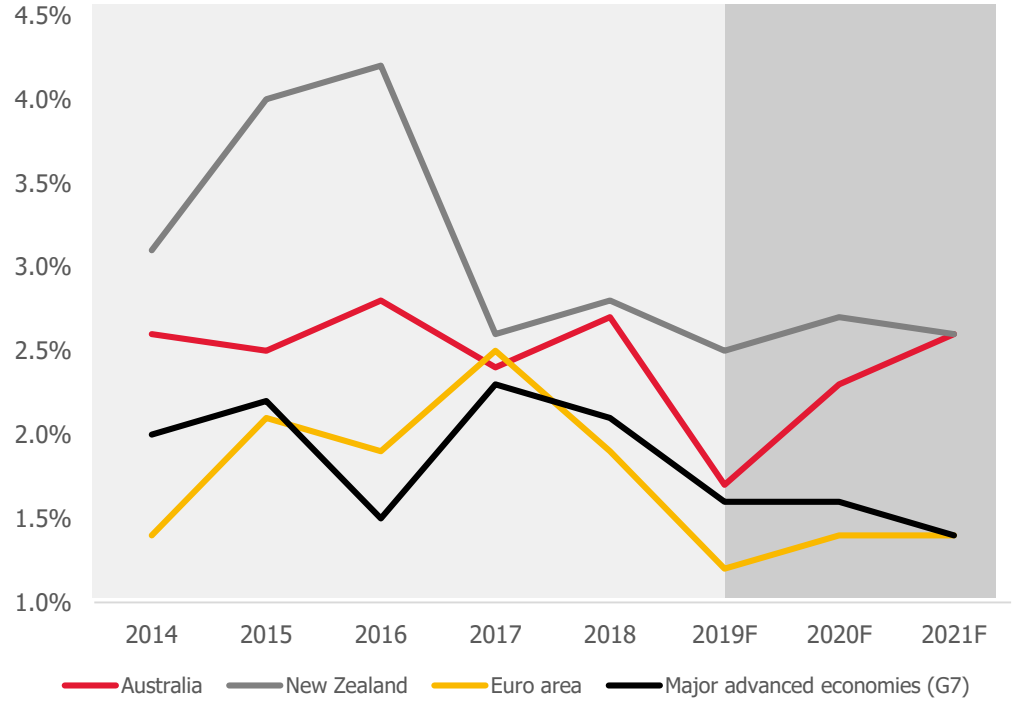
## COMPETITIVE DEALS FOR SYSTEMS



# OUR MATURE BUSINESSES OPERATE IN STABLE ECONOMIC, POLITICAL AND SOCIAL ENVIRONMENTS

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## GDP GROWTH RATE: AUSTRALIA & NEW ZEALAND BENCHMARKED



## ESTABLISHED MARKETS

### AUSTRALIA

<b>+1.6%<sup>1</sup></b> Growing population	<b>AAA</b> Stable Country rating (S&P)	<b>1.6%</b> Inflation
<b>2.7%</b> GDP growth	<b>2.3%<sup>2</sup></b> Wages growth	<b>5.2%<sup>3</sup></b> UNEMPLOYMENT RATE Stable employment

### NEW ZEALAND

<b>+1.9%<sup>1</sup></b> Growing population	<b>AA</b> Stable Country rating (S&P)	<b>1.6%</b> Inflation
<b>2.8%</b> GDP growth	<b>~4.5%<sup>4</sup></b> UNEMPLOYMENT RATE Stable employment	

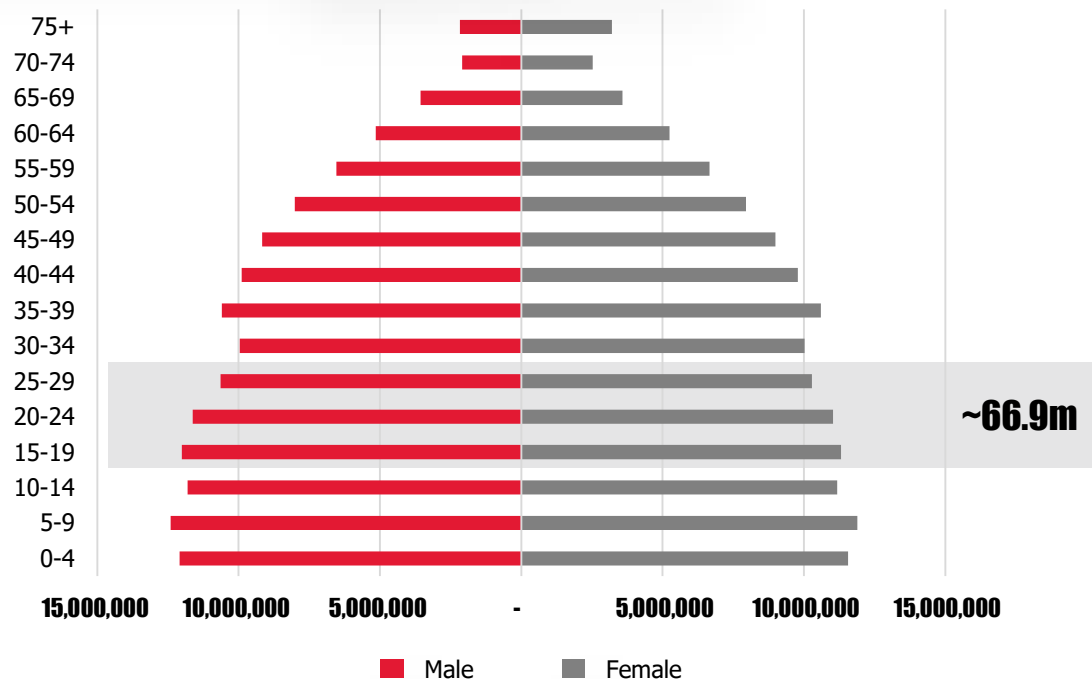


# THE PROSPECTS FOR INDONESIA ARE POSITIVE OVER THE MEDIUM TERM

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## INDONESIA: GROWING WORKING AGE POPULATION

INDONESIA POPULATION 2020



**LONG TERM GROWTH PROJECTIONS FOR INDONESIA REMAIN INTACT DUE TO THE FAVOURABLE AGE DEMOGRAPHICS**

# PURPOSE, VALUES, STRATEGY & VALUE CREATION



# OUR LONG-TERM VALUE CREATION MODEL

## OVERVIEW

Our **purpose and values** give us a clear and optimistic picture of success

Our strategic ambition is to be a **Regional Beverages Powerhouse** in the ASEAN and Oceania regions by growing through:

- Innovation and M&A in existing and new **beverage categories**
- Entering **new geographies** in existing beverage categories
- Vertical integration and extensions of existing **value chain** in current geographies

We have accelerated the implementation of the Regional Beverages Powerhouse strategy through the divestment of the SPC business and the integration of the Alcohol & Coffee business into each of our geographic segments, allowing us to **simplify our operations and strengthen our customer focus**

We have an integrated approach to creating **Long Term Value** simultaneously for our shareholders and for society:

- At the heart of this approach sits our **Thriving Customers**
- Our ability to serve our customers links to four other value drivers which are equal and inter-related: **Engaged People, Committed Partners, Better Environment and Delighted Consumers**

Our **shareholder value proposition** is our roadmap to create value for our shareholders and it is underpinned by a compelling investment case



# WE AIM TO CREATE VALUE FOR OUR CUSTOMERS IN A WAY WHICH DELIVERS VALUE FOR BOTH SHAREHOLDERS AND SOCIETY

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## WHO WE ARE

**OUR PURPOSE** Create millions of moments of happiness and possibilities, every day!

**OUR VALUES** Balancing today and tomorrow  
Being straight-forward and open  
Taking the initiative and owning the outcome

**WE AIM TO BE** A regional beverages powerhouse

## OUR STRATEGY

**PERFORM** Category leadership  
Outstanding execution  
Deep partnerships

**GROW** Across categories, geographies and along the beverages value chain

**A STRONG ORGANISATION** Strong accountable businesses  
One Amatil mindset led by the GLT  
Lean Group Office to safeguard and shape our future



## VALUE FOR SHAREHOLDERS



**ENGAGED PEOPLE**



**COMMITTED PARTNERS**

**THRIVING CUSTOMERS**



**BETTER ENVIRONMENT**

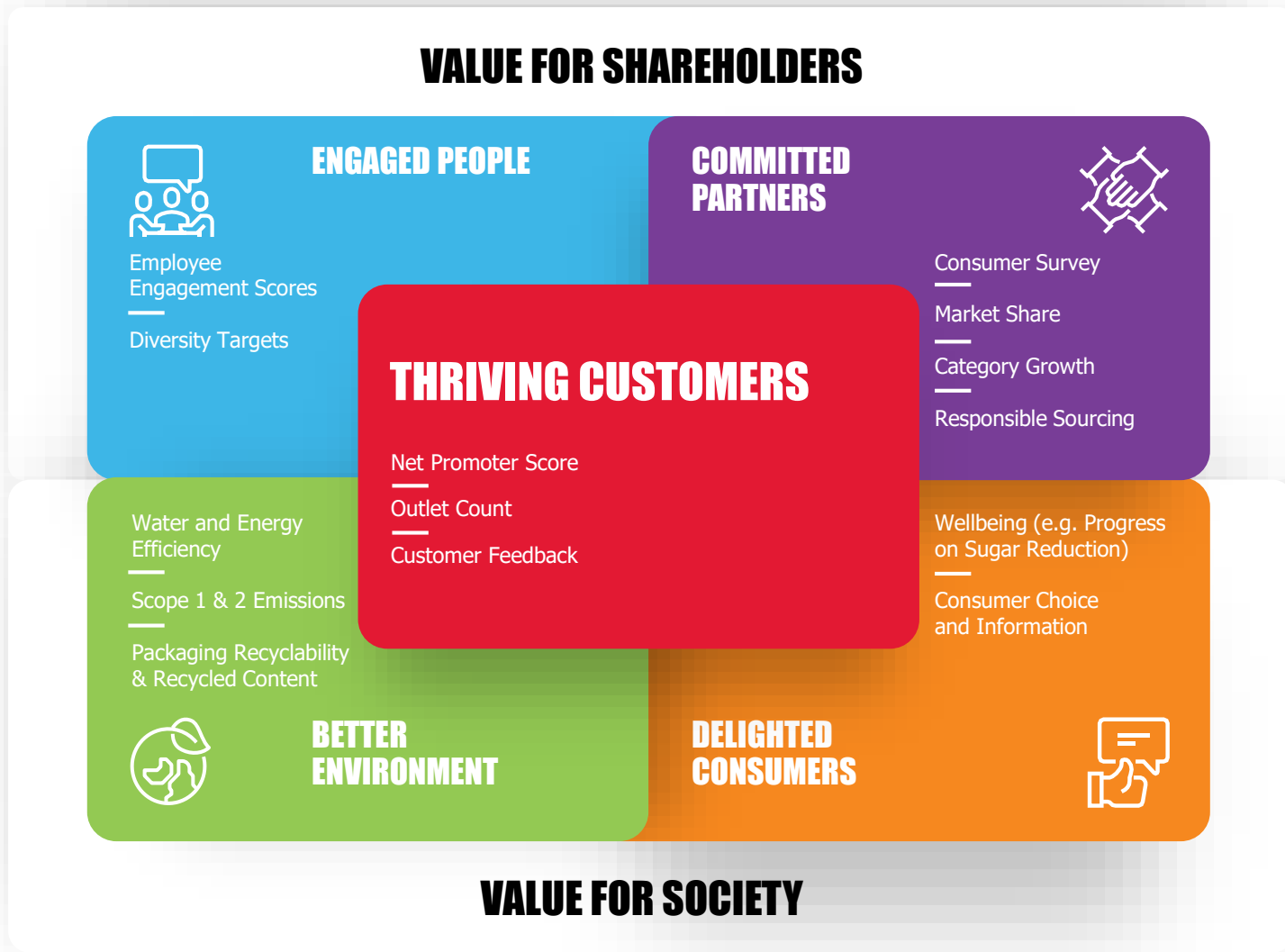


**DELIGHTED CONSUMERS**

## VALUE FOR SOCIETY

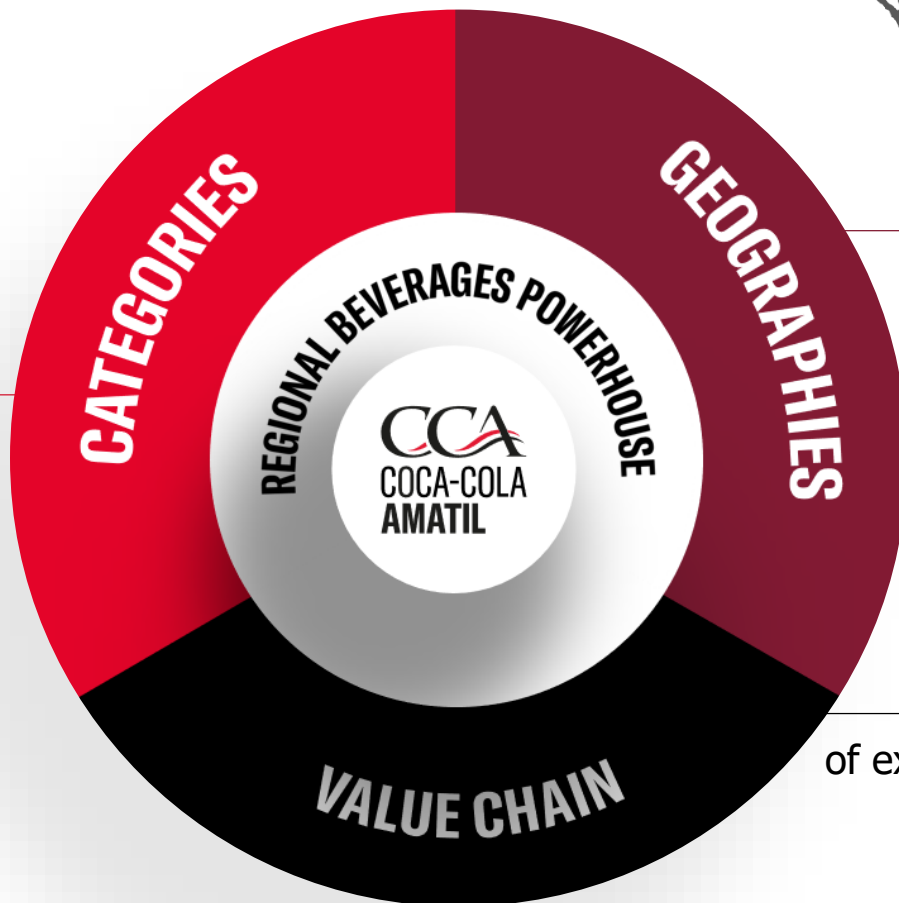
# OUR LONG-TERM VALUE CREATION OBJECTIVES INTEGRATE OUR SUSTAINABILITY AND FINANCIAL TARGETS

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# OUR AMBITION IS TO BE A REGIONAL BEVERAGES POWERHOUSE IN THE ASEAN AND OCEANIA REGIONS

We have a clear growth platform that builds on our expert knowledge of the beverages market in ASEAN and Oceania, our leading portfolio of brands, and track record of delivering innovation



## 01. INNOVATION AND M&A

in existing and new beverage categories

## 02. NEW GEOGRAPHIES

in existing beverage categories



## 03. VERTICAL INTEGRATION & EXTENSIONS

of existing value chain in current geographies

# STRONG ORGANISATION: ONE AMATIL

## WE ARE STRENGTHENING OUR REGIONAL BEVERAGES POWERHOUSE STRUCTURE

**Acceleration of the regional beverages powerhouse strategy by simplifying our operations and strengthening customer focus.**

### **Divestment of the SPC business**

We sharpened our focus as a beverages powerhouse with the completion of the sale of the SPC fruit and vegetable processing business on 28 June 2019

### **Integration of the Alcohol & Coffee business across each geographic segment**

On 9 September 2019 we announced changes to organisational structure and senior accountabilities to further integrate beverage categories across each country of operation

- The Australian based Alcohol and Coffee portfolios joined the Australian business under the leadership of Peter West
- Alcohol and Coffee in New Zealand, Paradise Beverages in Fiji and Samoa, and the international alcohol sales team joined the New Zealand and Fiji businesses under the leadership of Chris Litchfield
- The Coffee portfolio in Indonesia was integrated into the Indonesian business under the leadership of Kadir Gunduz

These changes will deliver further synergies between the non-alcohol, alcohol and coffee categories, and build on existing integration in parts of the business

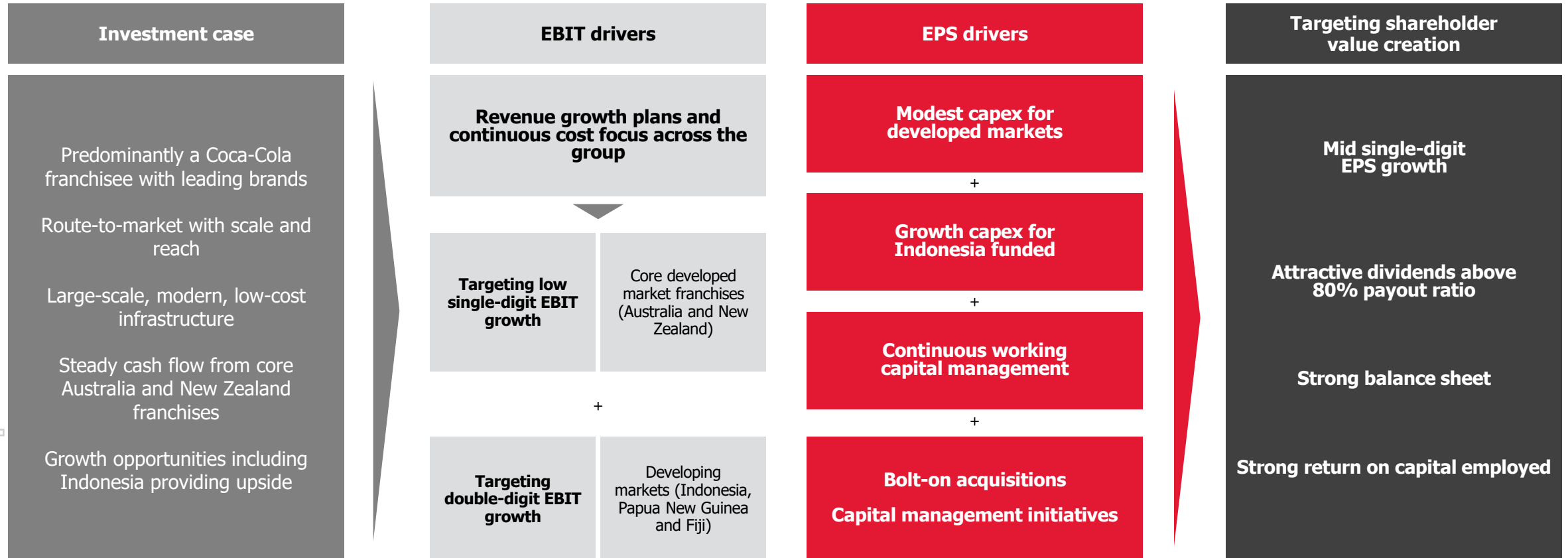
Our multi-beverage model uses customer segmentation, mobile technology and category specialists to help our sales force deliver highly tailored and relevant offers and service for our customers via an omnichannel approach



# SHAREHOLDER VALUE PROPOSITION

We are focused on generating attractive sustainable returns for shareholders over the medium term

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# **STRONG FOUNDATIONS** **BUILT SINCE 2014**



# STRONG FOUNDATIONS BUILT SINCE 2014

## OVERVIEW

Since 2014 we have made considerable progress on our plans across the Group in line with our Group Strategy to:

- Strengthen our category leadership position
- Step change productivity and in-market execution
- Achieve better alignment with The Coca-Cola Company and our other brand partners

As a result, today we have broader and more affordable portfolios, world class customer capabilities, even stronger routes-to-market, a wider range of products, improved supply chain productivity, and our relationship with The Coca-Cola Company is balanced and aligned

Our Sustainability Framework adopted in 2015 focused on the areas where we can have the greatest impact: our people, consumer wellbeing, the environment and our communities

In 2018 we **strengthened our sustainability commitments** and set targets to achieve by 2020

We have made good progress on our commitments with a particular focus on sugar and packaging



# LEAD: STRENGTHENED CATEGORY LEADERSHIP POSITION

We have achieved a fundamental change in our portfolio and presence in each market through innovation across all categories and aspects of our business

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**EXPANDED DIETS & LIGHTS WITH COKE NO SUGAR - FORMULATION CLOSER THAN EVER TO CLASSIC TASTE**

**+40%**

**INCREASE IN AUSTRALIA SPARKLING SMALL PACK MIX YTD 2014 TO YTD 2019**



**100% RPET BOTTLES<sup>1</sup>**




**IMPROVED AFFORDABILITY IN INDONESIA**




**CEMLAN NGE-GAME**

**LOCALISED AND INCREASED MARKETING CAMPAIGNS**

**REDUCED SUGAR**



**-7.0%**      **-4.1%**



**ENTERED NEW CATEGORIES**



**BEVERAGES WITH NOURISHMENT AT THE CORE**

**5 HEALTH STAR RATING**




**Over beer?**

**ESTABLISHED NEW BRAND FAVOURITES**

Share a Coke with...



**MARKETING INNOVATION**



**INNOVATION IN WATER**

**FERAL BREWING CO.**

**YENDA**  
Wakley Road Yenda NSW 2661

**CRAFT BEER PLAYS**



**STRENGTHENED PRESENCE IN DAIRY – FROM 2 TO 18 SKUS**



**NONTON BOLA SERU BARENG COCA-COLA**

**LEVERAGE SYSTEM ASSETS - ENGLISH PREMIER LEAGUE**

**NO GAPS IN THE PORTFOLIO – BRANDS FOR ALL CONSUMER OCCASIONS**







<sup>1</sup> Australia: All Coca-Cola soft drink brands, 600ml and below, and all water brands, 600ml and below, as at November 2019. New Zealand: All plastic bottles smaller than 1 litre and water bottles across all sizes by the end of 2019

# EXECUTE: OPTIMISED OUR ROUTE-TO-MARKET

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We have focused on optimising our route-to-market to strengthen our customer relationships, excellence in execution and distribution efficiency

<p><b>100 NEW SALES REPS AS PART OF FEET ON THE STREET INITIATIVE IN AUSTRALIA</b></p> 	<p><b>INSOURCING MERCHANDISERS IN GROCERY – A MUST WIN CHANNEL IN AUSTRALIA</b></p> 	<p><b>FOCUS ON SMALL STORES IN NEW ZEALAND</b></p> 	<p><b>DISTRIBUTION MODEL CHANGE TO COCA-COLA OFFICIAL DISTRIBUTOR (CCOD) MODEL</b></p> 
<p><b>+12 PPTS</b> ON THE GO CHANNEL CUSTOMER BASE OF FACE TO FACE ORDERING APRIL TO OCTOBER 2019 V 2018</p> <p><b>+67%</b> TOTAL SALES CALLS</p>	<p><b>INCREASED EXECUTION FOCUS</b></p>	<p><b>+3.4%*</b> <b>+5.3%*</b></p> <p><b>+2.7 PPTS*</b> <b>63 PPTS**</b></p> <p><small>*OCTOBER 2019 vs LY ** OCTOBER 2019 YTD</small></p>	<p><b>326</b> CCOD'S</p> <p>TARGET 48 HOUR TO 24 HOUR DELIVERY TIME</p> <p><b>5.2PPT IMPROVEMENT IN OUT OF STOCKS</b></p>

# EXECUTE: STEP CHANGED OUR LARGE SCALE, LOW-COST INFRASTRUCTURE, SALES & DISTRIBUTION

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## COST OPTIMISATION

SUPPLY CHAIN OPTIMISATION  
PROCUREMENT OPTIMISATION  
SUPPORT SERVICES OPTIMISATION



**\$160M CAPITAL EXPENDITURE AND CAPABILITY IMPROVEMENT IN RICHLANDS FACILITY**



**JUICE AND SPORTS PRODUCTION FACILITY IN NEW ZEALAND**



**2 NEW AFFORDABLE SINGLE SERVE PACK ("ASSP") LINES**

4 NEW PREFORM LINES  
10 NEW PRODUCTION LINES  
2 NEW MEGA DISTRIBUTION CENTRES COMMISSIONED



**OVER \$210M**

**COST SAVINGS DELIVERED IN AUSTRALIA SINCE 2014**



**36,000 PALLET CAPACITY**



**AUTOMATIC ROUTE CASE PICKING OF UP TO 2,000 CASES PER HOUR**



**AUTOMATIC BULK LOAD PICKING**

**\$2.5M**










**ANNUAL COST SAVINGS**

**+150M UNIT CASES**

**INCREASED PRODUCTION CAPACITY**

# PARTNER: BETTER ALIGNMENT WITH THE COCA-COLA COMPANY AND OUR OTHER BRAND PARTNERS

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	2014	2015	2016	2017	2018
<b>THE COCA-COLA COMPANY</b>		<p><b>US\$500M TRANSACTION IN INDONESIA</b></p> <p>TCCC Growth and economic return objectives set</p> <p>Effective governance arrangements in place</p> <p>Aligned water strategy and outcomes in Australia</p>		<p>Accelerated Australian Growth Plan</p> <p>Australia incidence pricing model</p>	<p><b>made</b> HomeGrown Innovation</p> <p>45% Joint minority interest in the Made Group</p> <p></p> <p>TCCC acquisition of Organic &amp; Raw Trading Co, owner of Mojo Kombucha</p> <p>Indonesia Joint Strategy refresh</p>
<b>OTHER BRAND PARTNERS</b>	<p></p> <p>Sales and distribution agreement with Chilli Marketing for Rekorderlig</p>	<p></p> <p>10 Year agreement with Beam Suntory in Australia and New Zealand</p> <p></p> <p>Entered an agreement with C&amp;C Group for the distribution of Magners in Australia &amp; New Zealand</p>	<p></p> <p>Distribution arrangements with Monster in Australia and New Zealand</p> <p></p> <p>New long-term agreement in Australia</p>	<p></p> <p>Indonesia exclusivity</p>	<p></p> <p>Master Supply Agreement with Caffitaly in Australia</p> <p></p> <p>Agreement for distribution and marketing of Rekorderlig with the Global brand owner</p>

# WE ARE RECEIVING RECOGNITION FOR OUR PROGRESS ON SUSTAINABILITY

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## INDUSTRY AWARDS AND FRAMEWORKS



Water & Climate Change Disclosure



FTSE4Good

Index Series member



'AA' ESG Rating



Achieved an ACSI "Leading" rating



Finalist, 2019 Bank of Indonesia Sustainability Awards



Finalist, 2019 Bingo Innovation Award



Coca-Cola Amatil Indonesia Winner, 2019 Sustainability Award

## INCLUSION & DIVERSITY RECOGNITION



Global Top 100 for Gender Equality



Only FMCG company in Australia with MHFA Accreditation



Coca-Cola Amatil New Zealand awarded "Best Employer" (2016-19)



Foundation member of Gender Tick in New Zealand



First FMCG organisation in New Zealand to receive a Rainbow Tick



Coca-Cola Amatil Indonesia Winner, 2019 Digital Transformation Award for Talent Accelerator and Digital Transformer of the Year



Coca-Cola Amatil Indonesia Winner, 2019 Indonesia's Best Companies to Work for in Asia

# WE ARE ON TRACK FOR OUR 2020 PEOPLE COMMITMENTS

## PEOPLE: OUR 2020 COMMITMENTS

### HUMAN RIGHTS POLICY

Implement and embed our Human Rights Policy

### ZERO-HARM

Have a zero-harm workplace

### POSITIONS HELD BY WOMEN

Have at least 30% of Board, Senior Executive and Management positions held by women and improve depth and breadth of representation across all functions and businesses

## OUR PROGRESS



Screened **80%** of supplier spend using human rights criteria<sup>1</sup>



**3<sup>rd</sup> party review** of human rights risks across our value chain



Implemented a **Human Rights Policy** training program



**16%** decrease in injuries in H1 2019 vs 2018



Reduction of injuries by **75%** since 2012<sup>1</sup>

**33,920**<sup>2</sup> Instances of participation in **employee wellbeing programs** across the Coca-Cola Amatil Group



Women make up <sup>1</sup> :  
**36%** of Senior Executive Positions  
**20%** of Management Positions  
**37%** of Board



We are ranked in the **Global Top 100** for gender equality<sup>3</sup>



# OUR CONSUMER WELLBEING PROGRESS INCLUDES SUBSTANTIAL SUGAR REDUCTIONS IN OUR PORTFOLIO

## CONSUMER - WELLBEING AND COMMUNITY: OUR 2020 COMMITMENTS

### SUGAR INTENSITY

Measure the sugar grams per 100ml of our non-alcoholic beverages portfolio in all countries of operation and reduce total sugar intensity by 10% in Australia and New Zealand (since 1 January 2016) (sugar measurement is portfolio-wide weighted volume average total sugar content g/100ml)

### RESPONSIBLE SOURCING

Screen 80% of supplier spend using responsible sourcing criteria

### COMMUNITY INVESTMENT PROGRAMS

Allocate the equivalent of 1% of EBIT to community investment programs

## OUR PROGRESS



Measuring sugar per 100ml of our non-alcoholic beverages portfolio in **all countries of operation**



Non-Alcoholic Beverages Portfolio reduction<sup>1</sup> (sugar grams per 100ml) since 1 January 2016:  
**7.0%** reduction in Australia  
**4.1%** reduction in New Zealand



Screening **80%**<sup>1</sup> of supplier spend using responsible sourcing criteria



Invested **A\$6.2 million** in community programs, equivalent to 0.98%<sup>2</sup> of EBIT



Our Alcohol business has partnered with **DrinkWise** Australia to support a major Fetal Alcohol Spectrum Disorder (FASD) awareness and education campaign

**\$1.48M**

Our Grinders business is Australia's largest roaster of Fairtrade coffee beans, generating \$1.48m<sup>2</sup> to support **Fairtrade farmers** since 2010



Paradise Beverages is establishing a **new responsible service of alcohol program** in Fiji

# SUGAR REDUCTION

We have made sound progress on sugar reduction in Australia and New Zealand with product reformulation

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↓ -7.0%<sup>1</sup>

## AUSTRALIA

Sugar grams per 100mL reduction since 1 January 2016

Top 5 Reformulations:



SPRITE

43% ↓



FANTA RASPBERRY POSTMIX

39% ↓



FUZE BLACK TEA LEMON

33% ↓



FUZE BLACK TEA PEACH

33% ↓



FUZE GREEN TEA MANGO

32% ↓



↓ -4.1%<sup>1</sup>

## NEW ZEALAND

Sugar grams per 100mL reduction since 1 January 2016

Top 5 Reformulations:



KERI FRUITY DRINK

30% ↓



FANTA GRAPE

23% ↓



POWERADE ION4

20% ↓



FANTA RASPBERRY

18% ↓



SPARKLING DUET RASPBERRY

18% ↓

# SUGAR REDUCTION

Indonesia, Papua New Guinea and the Pacific Islands are progressing with sugar reduction initiatives



↓ -7.8%<sup>1</sup>

## INDONESIA & PAPUA NEW GUINEA

Sugar grams per 100mL reduction since 1 January 2016 in Indonesia

In Indonesia, Sprite Waterlymon with sugar content lower than current Sprite, and small packs (200ml) for Frestea Green Honey and Refresh Strawberry

BU Energy Drink in PNG changed to a 335ml size from 440ml



## PACIFIC ISLANDS

**A ROADMAP FOR SUGAR REDUCTION BETWEEN NOW AND 2022 IS BEING PROPOSED FOR THE PACIFIC ISLANDS. THIS INCLUDES:**

Reformulations of Fanta Pineapple, Fanta Orange, Fanta Raspberry and Sprite in Fiji

Reformulations of Fanta Pineapple, Fanta Orange and Sprite in Samoa

### IN FIJI WE HAVE:

Launched Coca-Cola No Sugar with marketing focus

Reformulated Diet Coke

Reduced sugar content in many other packs

Reduced sugar content in our alcoholic Fijian Ready-To-Drink range in selected brands



# WE ARE AHEAD OF OUR ENVIRONMENTAL COMMITMENTS FOR 2020

## ENVIRONMENT: OUR 2020 COMMITMENTS

### WATER INTENSITY

Improve water intensity for non-alcoholic beverages to achieve no more than 1.95L/L and target a 25% improvement in water efficiency for alcoholic beverages (compared to 2013) and food (compared to 2010)

### CARBON FOOTPRINT

Reduce the carbon footprint of the 'drink in your hand' by 25% (compared to 2010)

### RENEWABLE AND LOW-CARBON ENERGY

Use 60% renewable and low-carbon energy in our operations

### RECYCLED PLASTIC

Develop the business case for a weighted average of 50% recycled plastic in PET containers across the Australian portfolio including carbonated soft drinks

## OUR PROGRESS



Achieved water efficiency target for non-alcoholic beverages of **1.92L/L**<sup>1</sup>, exceeding 2020 target

**161%**<sup>1</sup>

of all **water** used in Coca-Cola Amatil Group non-alcoholic beverages is returned to nature



Water efficiency for alcoholic beverages improved by **13.8%**<sup>1</sup> since 2013



Reduced the carbon footprint of the 'drink in your hand' by **20%**<sup>1</sup> (compared to 2010)



Using **~56.3%**<sup>1</sup> renewable and low-carbon energy in our operations



**95%**<sup>1</sup> of beer from the Paradise Beverages brewery in Fiji are in returnable glass bottles. We have achieved an industry leading collection rate of **85%**<sup>1</sup>



Approved the business case for a weighted average of **50%** recycled plastic in PET containers in Australia



39 million kilograms<sup>1</sup> of rubbish has been collected through the Bali **Beach Clean Up program**

# PLASTIC HAS A VALUABLE ROLE TO PLAY IN OUR PACKAGING MIX



## CARBON FOOTPRINT

PET is around 50% less carbon intensive than cans. Recycled PET results in 90% less carbon.



## MALLEABILITY

Highly flexible and impact resistant



## COST

Half the price of aluminium and a third of the price of glass on average



## PRODUCTION TIME

Faster cycle times lead to lower unit costs and agility to meet customer demand



## CHEMICAL RESISTANCE

Metals oxidise or rust



## MARINE LITTER

Does not bio-degrade. Forms micro-plastics



# THE PLASTIC LOOP

We strive to minimise the impact of plastic packaging in each phase of the plastic loop through waste reduction, education, packaging innovation, and collaboration with other industry participants

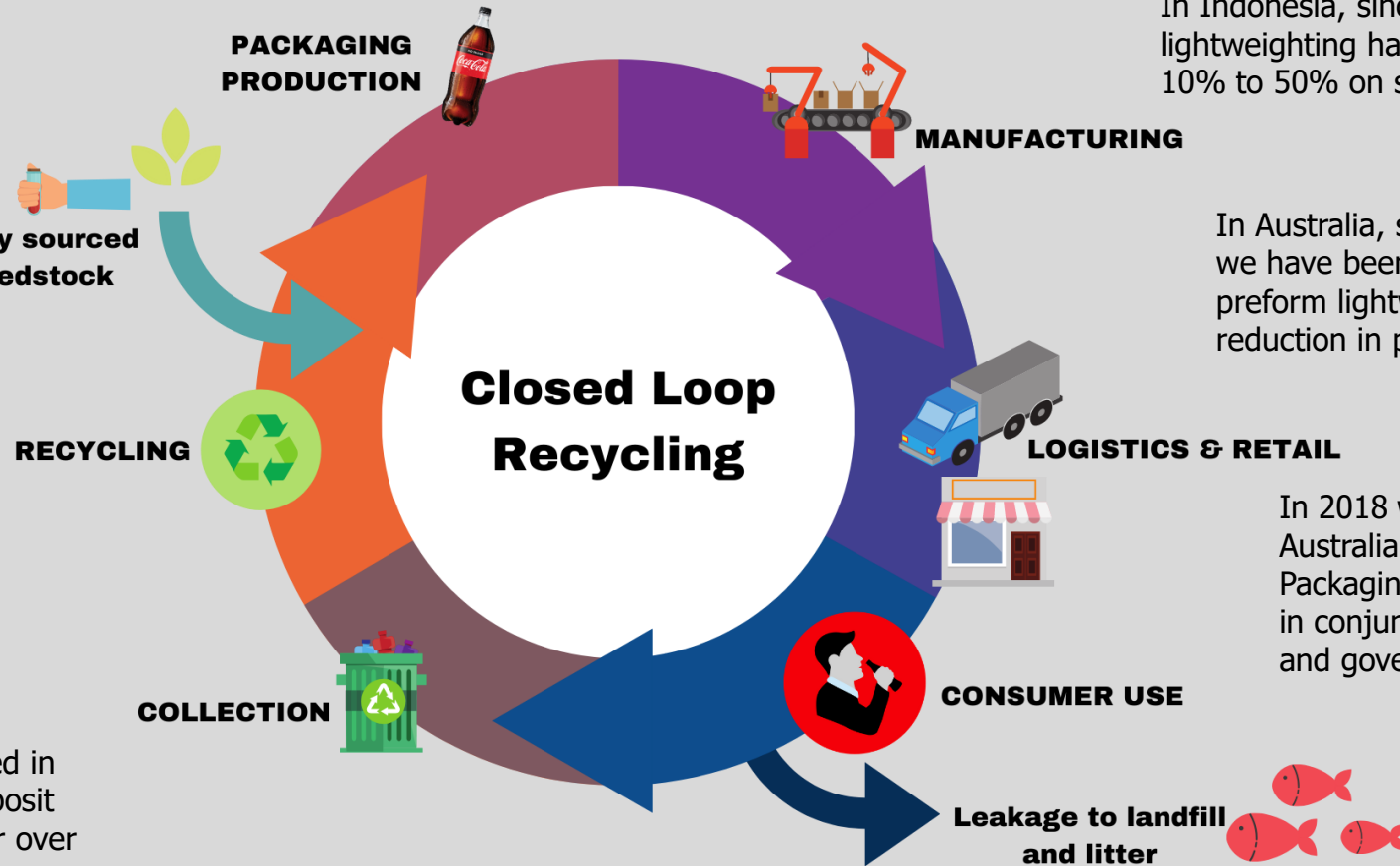
By the end of 2019, 7 out of 10 plastic bottles in Australia will be made of 100% recycled plastic

**Renewably sourced virgin feedstock**

Over 95% of our packaging is recyclable

Fully operate 'Mission Pacific', Fiji's only bottle and can return program

Amatil has been involved in operating container deposit schemes in Australia for over 40 years



In Indonesia, since 2014 preform lightweighting has achieved reductions of 10% to 50% on selected SKUs

In Australia, since late 1990s we have been involved in preform lightweighting. 33% reduction in plastic.

In 2018 we supported the Australian 2025 National Packaging Targets, developed in conjunction with APCO and governments

Coca-Cola Amatil Indonesia has supported the Bali Beach Clean Up Program for over 10 years, removing over 39 million kilograms of rubbish from beaches in Bali

# WELL POSITIONED TO GROW



# WELL POSITIONED TO GROW

## OVERVIEW

We have completed our step-up investments in Australia, Indonesia and Corporate & Services

While there are further Container Deposit Schemes to be implemented, these will be staged and less severe than the 2018/19 NSW & QLD impacts. Container Deposit Schemes now cover ~62% of the Australian population with WA to implement in 2020 and TAS in 2022.

Coca-Cola Trademark is in growth globally and in our markets

Australian Beverages Volume and Trading Revenue has recorded positive growth versus the prior year for the half to date, with the biggest six weeks of the year to come

Indonesia is growing consistently since 2Q 2018 despite soft market conditions

Our engagement levels are strong and we have seen a meaningful increase from Australian Beverages and continued improvement in Indonesia





# WE HAVE COMPLETED OUR STEP UP INVESTMENTS

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## AUSTRALIA

Completion of additional investment in line with the Accelerated Australian Growth Plan

**\$40m** in 2018      **\$10m** in 2019

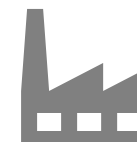
## INDONESIA

Additional investment in marketing in 2019 following the Joint Strategy Refresh with The Coca-Cola Company



## CORPORATE & SERVICES

Our Corporate & Services segment is now stable following investment in group capability, IT and Property activities



# WHILE THERE ARE FURTHER CONTAINER DEPOSIT SCHEMES TO BE IMPLEMENTED, THESE WILL BE STAGED AND LESS SEVERE THAN THE 2018/19 NSW & QLD IMPACTS

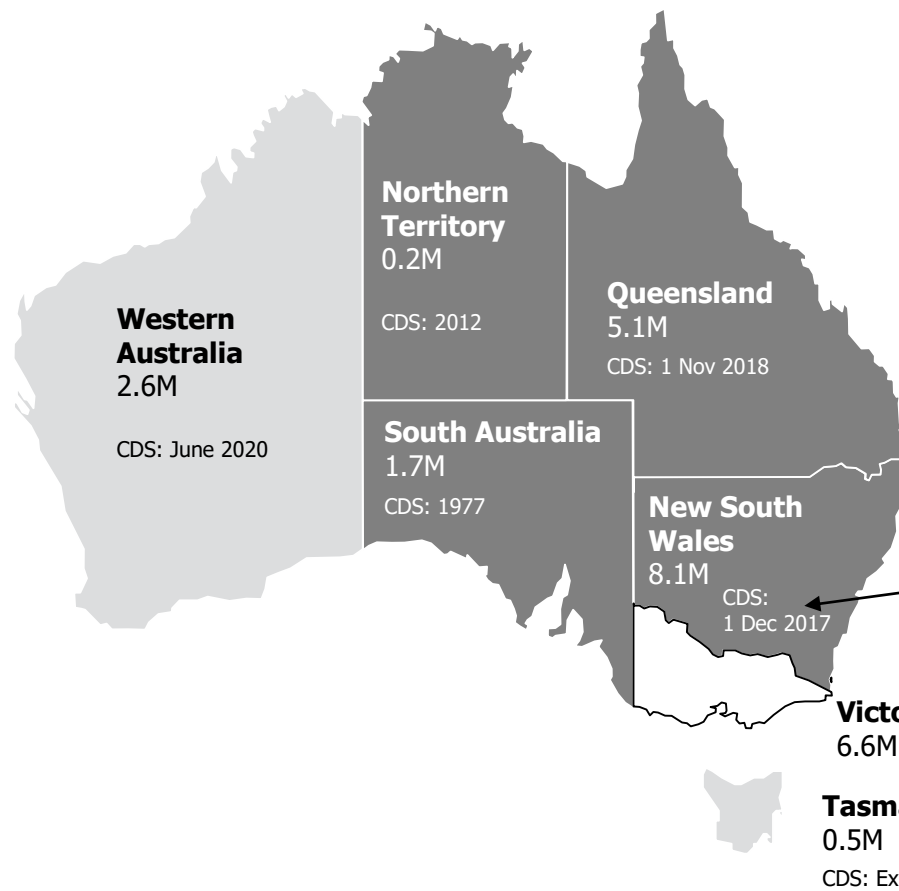
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## LEGEND

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

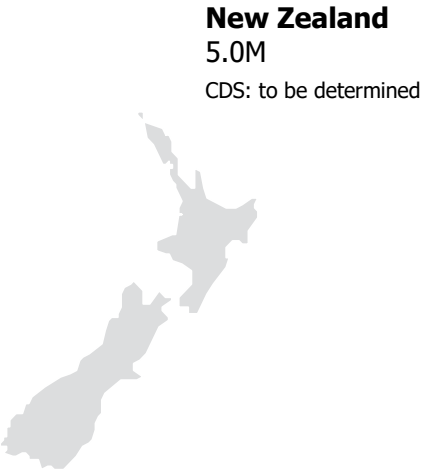
## CONTAINER DEPOSIT SCHEME STATUS

- Not Announced
- Currently operational
- To be implemented



**CONTAINER DEPOSIT SCHEMES NOW COVER ~62% OF AUSTRALIA'S POPULATION**  
with Western Australia to implement in 2020 and Tasmania in 2022

**NEW ZEALAND IS CONSIDERING DESIGN**  
with timing yet to be determined

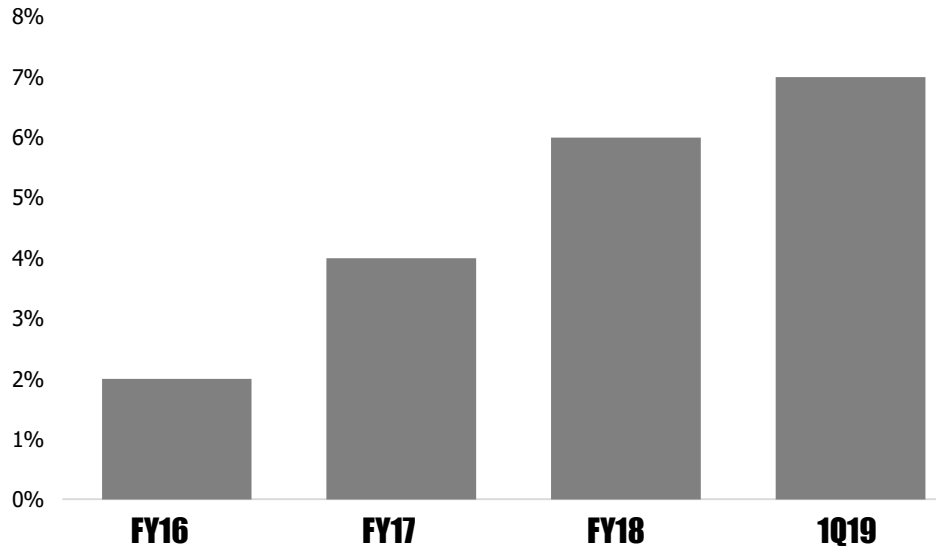


# COCA-COLA TRADEMARK IS IN GROWTH GLOBALLY AND IN OUR MARKETS

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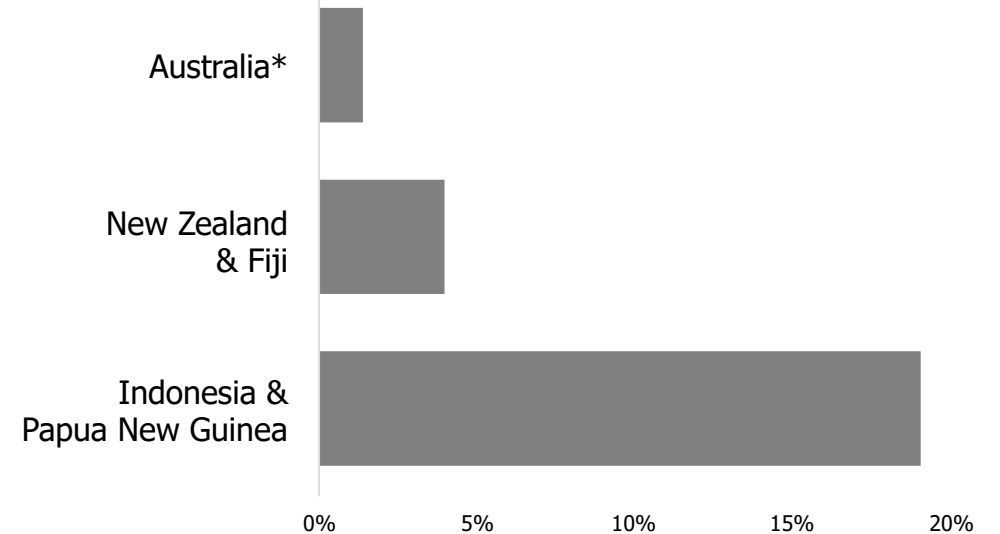
## COCA-COLA TRADEMARK IN GROWTH GLOBALLY

Global Coca-Cola Trademark Retail Value growth vs last year (%)



## COCA-COLA TRADEMARK IN GROWTH ACROSS AMATIL'S MARKETS

2019 October YTD Coca-Cola Trademark Trading Revenue growth vs last year (%)



\*Excludes Frozen and Coca-Cola Energy

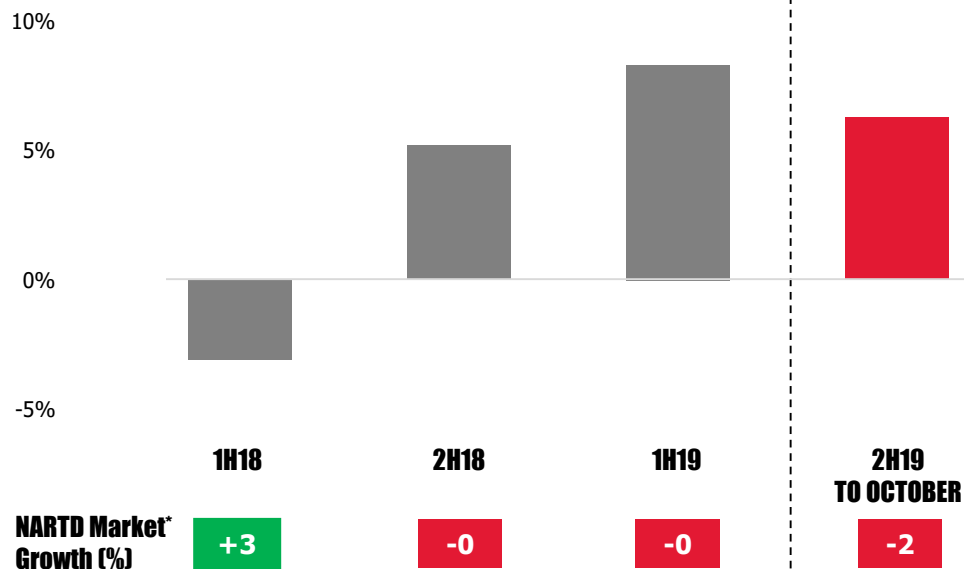


# INDONESIA IS GROWING CONSISTENTLY SINCE 2Q 2018 DESPITE SOFT MARKET CONDITIONS

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## INDONESIA TOTAL BUSINESS VOLUME MOMENTUM BUILDING SINCE 2Q 2018

Coca-Cola Amatil Indonesia Total Volume growth vs last year (%)



## SPARKLING VOLUME, TRANSACTIONS AND MARKET SHARE GROWTH YTD SEPTEMBER\*

Sparkling Brand	Volume Growth	Transactions Growth
	+2.0%	+2.8%
	+8.8%	+9.4%
	+7.2%	+6.4%

VOLUME	YTD	Variance vs 2018 (ppts)
Sparkling Market Share	89.4%	+2.8
Sparkling % of NARTD Market (excl Water)	12.2%	+0.7

# ENGAGEMENT LEVELS ARE STRONG WITH A MEANINGFUL INCREASE IN AUSTRALIAN BEVERAGES AND CONTINUED IMPROVEMENT IN INDONESIA



**NEW ZEALAND**



**INDONESIA**



**AUSTRALIAN BEVERAGES**

## 2019 ENGAGEMENT SCORE [%]

**83%**



**81%**



**+6**

**PPTS VS FY18**



**71%**



**+12**

**PPTS VS FY18**

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# OUTLOOK



# OUTLOOK

## 2019 OUTLOOK

The end of 2019 will mark the completion of a two year transition period

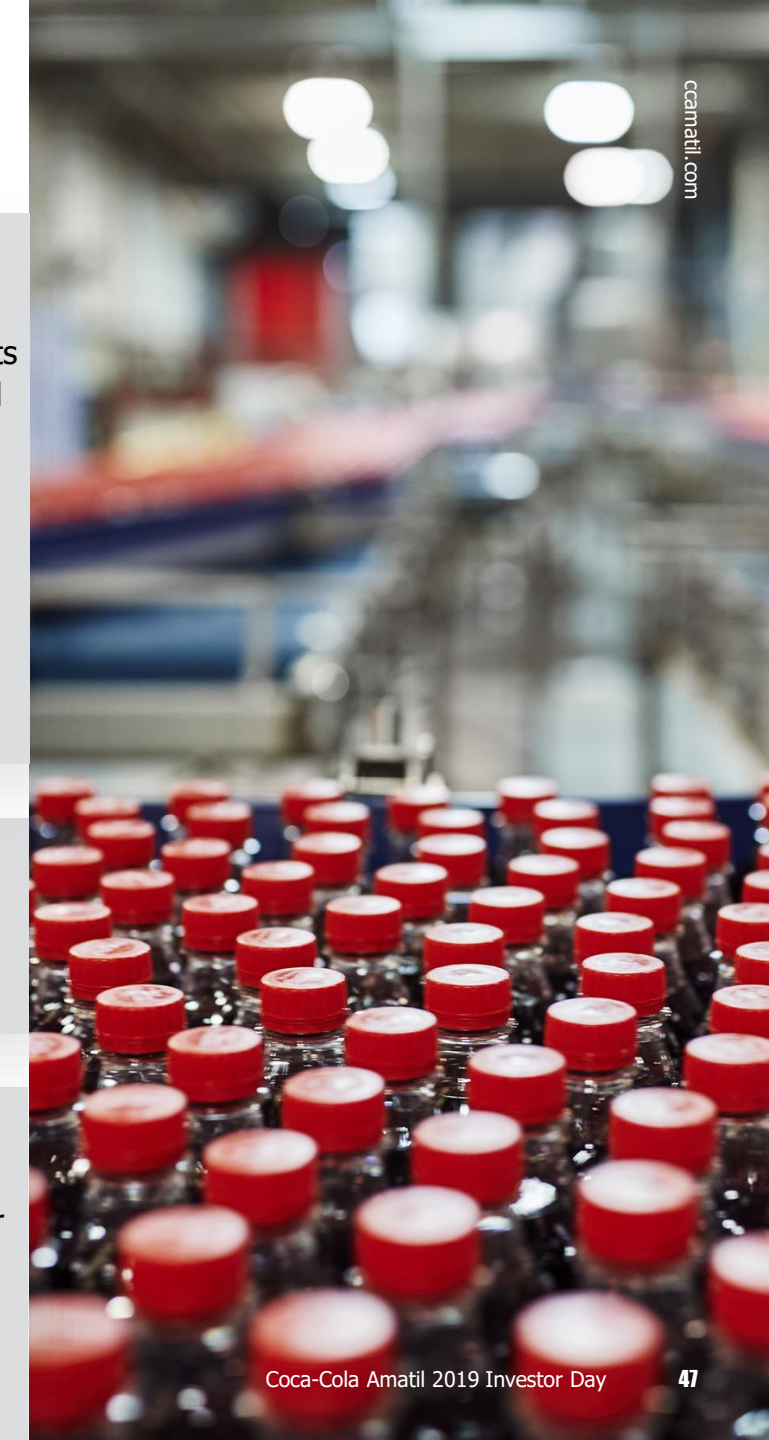
- **Australian Beverages:** is positioned for growth in 2020 with the completion of the additional \$10 million of investments in our Accelerated Australian Growth Plan and with Container Deposit Schemes in NSW and QLD substantially embedded by the end of 2019.
- **Indonesia:** We are encouraged by the consistent growth we have achieved from April 2018 and will continue to deliver our Accelerate to Transform strategy with additional marketing expenditure 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:** expected to deliver growth in line with our Shareholder Value Proposition.
- **Corporate & Services:** an EBIT loss of approximately \$12 million is expected

## NON-TRADING ITEMS

- 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

## 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
- Our plans envisage higher profit growth in the second half of 2020 than the first half
- As always, our progress depends on the success of our revenue growth initiatives in Australia, Indonesian economic factors and regulatory conditions in each of our markets



# OUTLOOK

## CAPITAL EXPENDITURE

- Group capex is expected to be approximately \$250 million in 2019 and \$300 million in 2020

## DIVIDENDS

- Continue to target medium term dividend payout ratio of over 80 per cent
- Amatil dividends are expected to return to being franked in 2021. At that stage, depending on the mix of earnings between Australia and other countries, we expect the level of franking to be above 50 per cent.

## 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 sales of surplus properties





# QUESTIONS & ANSWERS

**Alison Watkins**  
Group Managing Director



# FINANCE OVERVIEW

**Martyn Roberts**

Group Chief Financial Officer



# FINANCE: PRESENTATION OVERVIEW

## OVERVIEW

We focus on **strengthening our business** and **delivering sustainable, profitable growth** in a changing and more competitive business environment

We **have made steady progress** on our EPS growth drivers while we continue to invest to drive growth

We **have a strong balance sheet** that enables us to deliver on our shareholder value creation commitments

Indonesia and PNG **cash on deposit has reduced** in 2019

Track record of **delivering strong cash flows and maximising returns** to shareholders

We have **consistently held or increased dividends** since 2014 and return the highest dividend yield of major Coca-Cola bottlers since 2016

Commodities and currency are less favourable in 2019 compared to 2018.  
Overall **hedging so far for 2020 is more favourable** than 2019

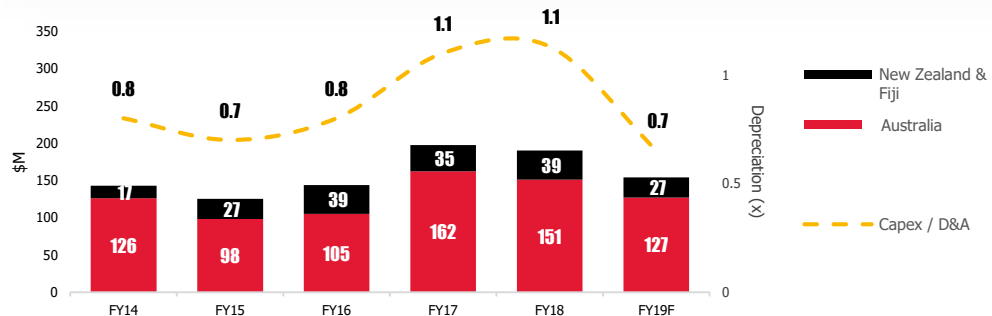


# STEADY PROGRESS ON OUR EPS GROWTH DRIVERS WHILE WE CONTINUE TO INVEST TO DRIVE SUSTAINABLE PROFITABLE GROWTH

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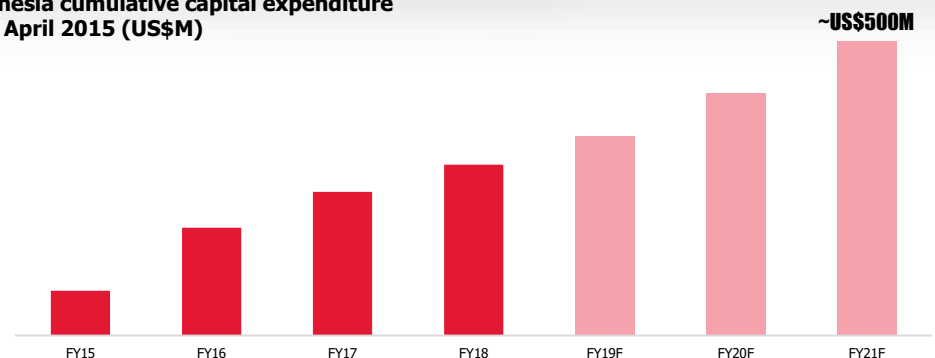
## MODEST CAPEX FOR DEVELOPED MARKETS

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



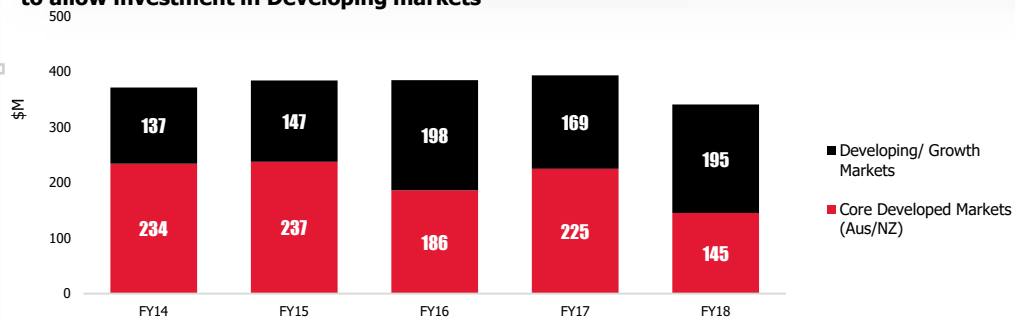
## GROWTH CAPEX FOR INDONESIA IN PLACE

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



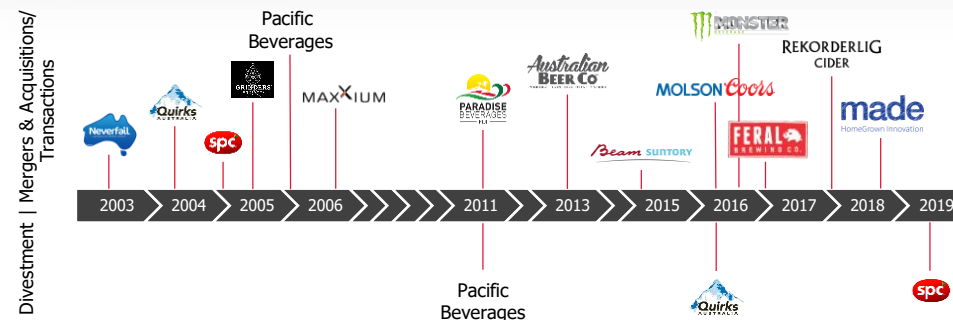
## CONTINUOUS WORKING CAPITAL MANAGEMENT

Reduction in Developed market working capital to allow investment in Developing markets



## BOLT ON ACQUISITIONS

Focus on transactions that offer opportunities for value creation

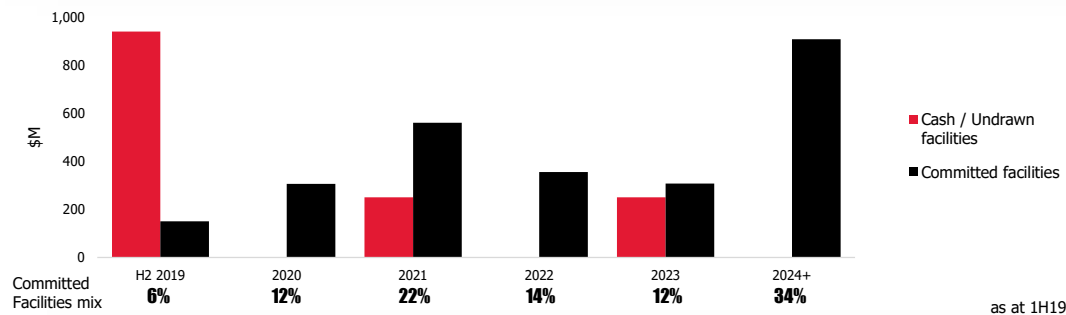


# STRONG BALANCE SHEET WHICH ENABLES US TO DELIVER ON OUR SHAREHOLDER VALUE CREATION COMMITMENTS

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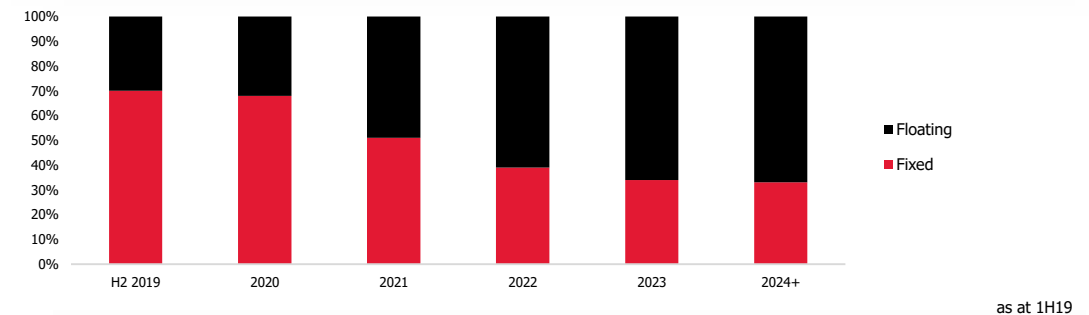
## BALANCED DEBT MATURITIES PROFILE – 5.6 YEARS FOR \$2.6B

### Maturity of group committed facilities



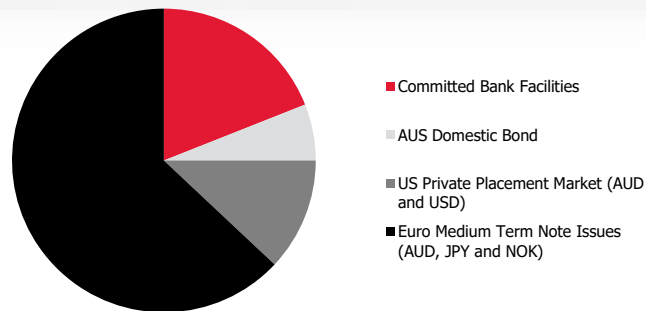
## BALANCE BETWEEN CERTAINTY AND BLENDED INTEREST PROFILE FIXED MATURITY 4.1 YEARS

### Weighted average fixed rate maturity of 4.1 years



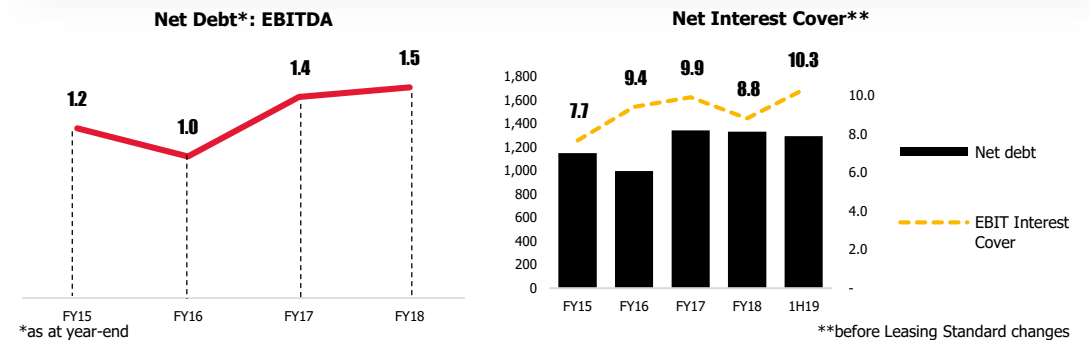
## DIVERSE AND COST EFFECTIVE FUNDING

### Source of funding



## S&P BBB+ (STABLE) / MOODY'S A3 (STABLE)

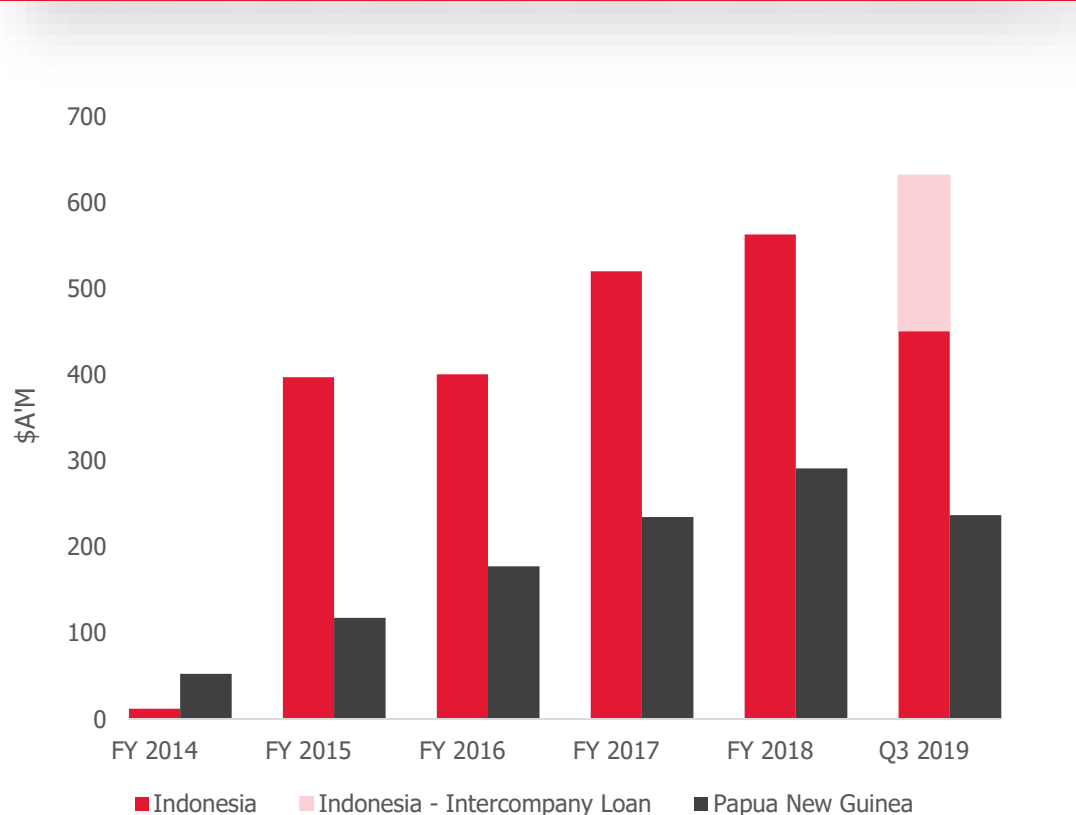
### Credit rating metrics



# INDONESIA AND PAPUA NEW GUINEA CASH ON DEPOSIT HAS REDUCED IN 2019

S&P and Moody's do not consider cash on deposit in Indonesia and PNG as being available for debt repayment

## INDONESIA AND PAPUA NEW GUINEA CASH ON DEPOSIT



## INDONESIA

In 2015, The Coca-Cola Company acquired 29.4% of our Indonesia business for \$US500m. Cash on deposit has grown as Indonesia is cashflow positive, which has also self funded capital expenditure

\$A180m intercompany loan made in 2019 to Coca-Cola Amatil Group For repayment of external debt

## PAPUA NEW GUINEA

In 2014, the PNG Government pegged the Kina to the US dollar to protect the economy from inflation which has resulted in limited availability of foreign currency

We have increasing access to US dollars through local banks

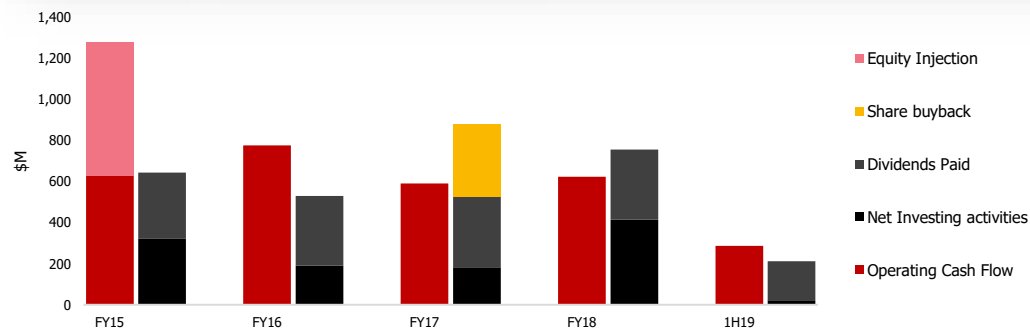
Repayments of intercompany loan and dividend payments have reduced deposit balance from \$A300m to \$A237m

# LONG TRACK RECORD OF DELIVERING STRONG CASH FLOWS AND MAXIMISING RETURNS TO SHAREHOLDERS

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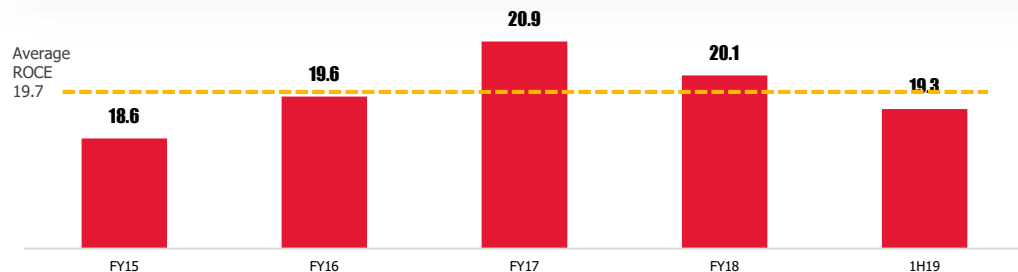
## CONSISTENT CASH FLOW GENERATION

### Use of operating cash flow



## STRONG RETURN ON CAPITAL EMPLOYED

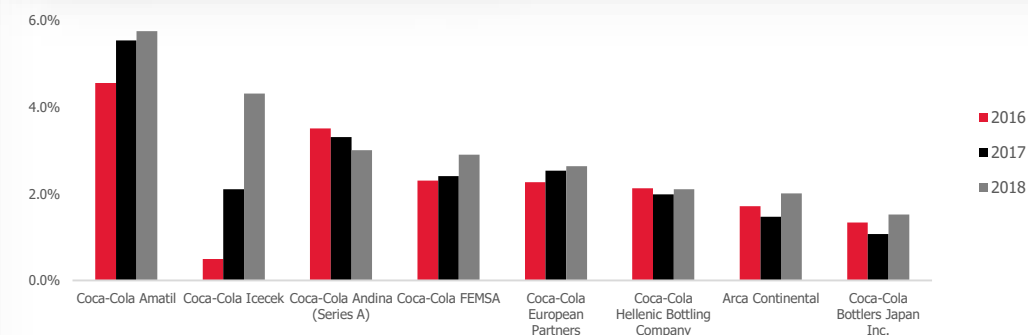
### Return on capital employed (%)



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. Before Leasing Standard changes.

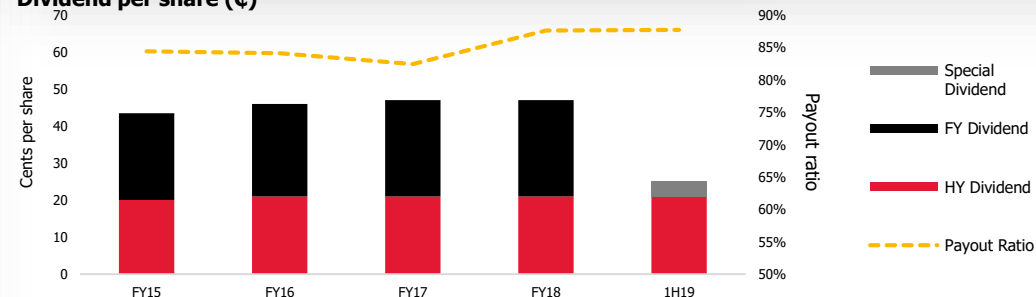
## CONSISTENTLY RETURNING THE HIGHEST DIVIDEND YIELD OF MAJOR COCA-COLA BOTTLERS

### Dividend yield of major Coca-Cola bottlers



## CONSISTENT DIVIDENDS AND PAYOUT RATIO > 80%

### Dividend per share (€)



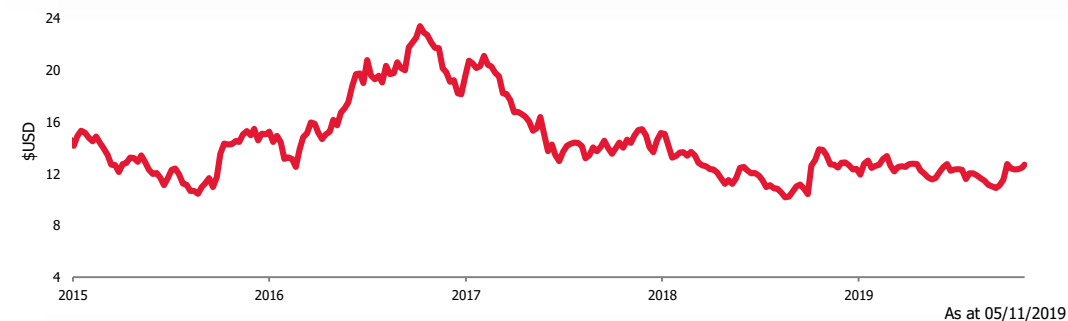
1H2019 Payout Ratio excludes Special Dividend

# COMMODITIES AND CURRENCY LESS FAVOURABLE IN 2019 VS 2018. OVERALL, HEDGING SO FAR FOR 2020 IS MORE FAVOURABLE THAN 2019

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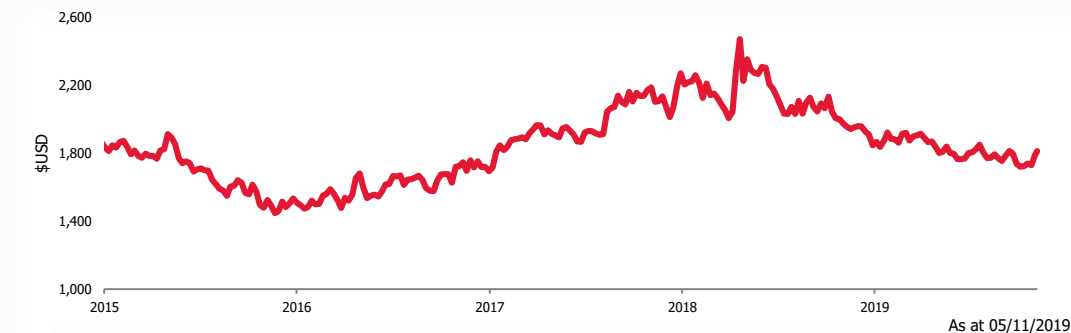
## 2020 HEDGES FOR SUGAR PRICED LOWER THAN 2019

Sugar – Market Price



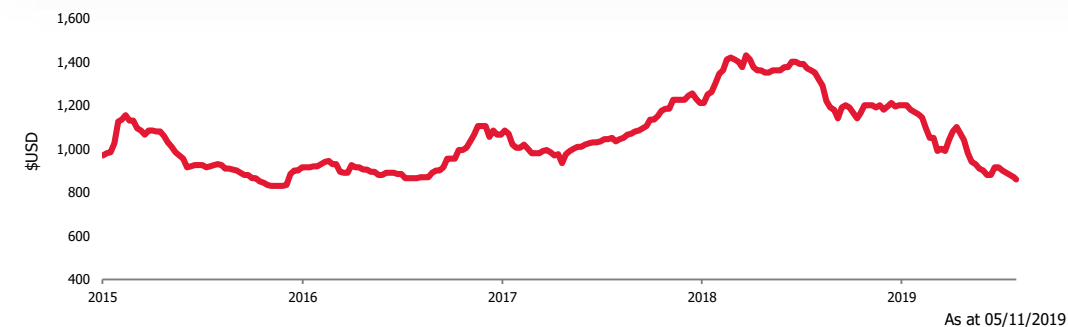
## 2020 HEDGES FOR ALUMINIUM PRICED LOWER THAN 2019

Aluminium – Market Price



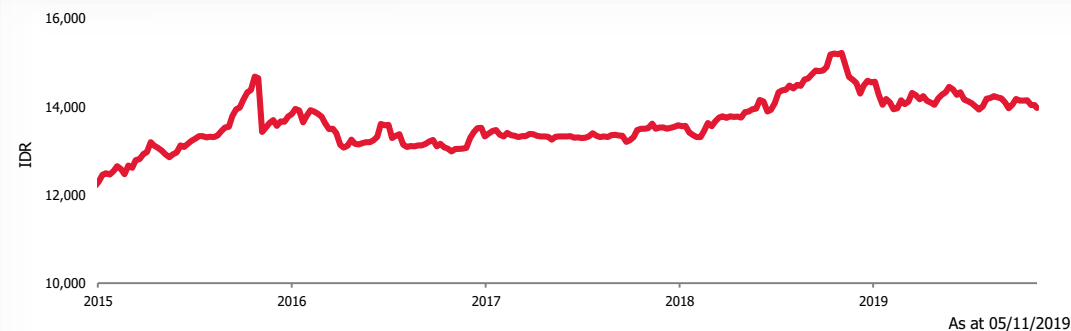
## 2020 HEDGES FOR PET PRICED LOWER THAN 2019

PET – Market Price



## 2020 HEDGING FOR IDR/USD EXPECTED TO BE BROADLY CONSISTENT WITH 2019

IDR/USD





# QUESTIONS & ANSWERS

**Martyn Roberts**  
Group Chief Financial Officer



# NEW ZEALAND

**Chris Litchfield**

Managing Director, New Zealand & Fiji



# CANDLER CUP OVERVIEW

The Candler Cup was introduced across The Coca-Cola Company Bottling system to recognise the "Best Bottlers in the World"



## CANDLER CUP CRITERIA



**Strong Topline Growth**



**Outstanding Executional Performance**



**Targets and initiatives against key growth strategies**



**Best in class commercial capabilities**



**Culture**

# NEW ZEALAND IS A LEADER IN THE GLOBAL COCA-COLA SYSTEM



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## NEW ZEALAND RESULTS

	<p><b>Sustained topline growth (+7.6% NSR 4 YR CAGR)</b></p>							
	<p><b>Leading customer growth and cooler penetration</b></p>	<p>Cooler Doors 4YR CAGR +3.9%</p> <p>Customer Outlets 4YR CAGR +2.9%</p>						
	<p><b>Portfolio breadth and market leading brands</b></p>	<p>Dairy    Core CSD    Juice    Energy    Water</p>						
	<p><b>World Class Infield Tools and Customer Service</b></p>	<table border="1"> <tr> <td>NPS 2014</td> <td>NPS 2016</td> <td>NPS 2018</td> </tr> <tr> <td>+57</td> <td>+63</td> <td>+66</td> </tr> </table>	NPS 2014	NPS 2016	NPS 2018	+57	+63	+66
NPS 2014	NPS 2016	NPS 2018						
+57	+63	+66						
	<p><b>AON Hewitt BEST EMPLOYER for 4 consecutive years</b></p>							

# COCA-COLA AMATIL NEW ZEALAND VIDEO

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# NEW ZEALAND IS A LEADER IN THE GLOBAL COCA-COLA SYSTEM

In 2019 New Zealand was a finalist in the Candler Cup competition for the second year running



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**ONLY BOTTLER IN THE WORLD  
SELECTED IN THE TOP 4 BOTTLERS  
FOR TWO CONSECUTIVE YEARS.**



# OUR STRATEGY CONTINUES TO EVOLVE UNDERPINNED BY A STRONG FOUNDATION

## 2014 to 2019



## 2020 to 2025



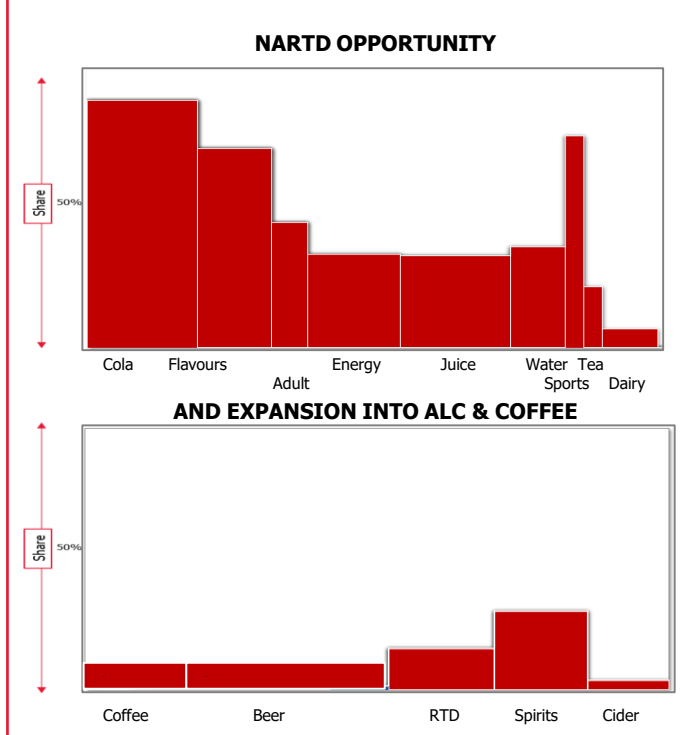
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# NEW ZEALAND HAS RUNWAY FOR MORE GROWTH

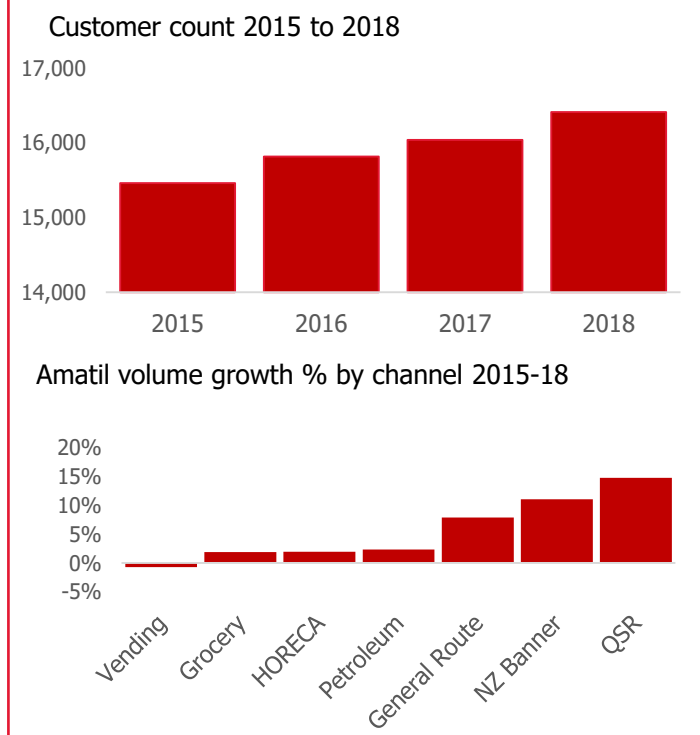
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After 5 years of consistent growth, the New Zealand business still has further opportunities for growth underpinned by strong fundamentals and execution capability to deliver

## STRONG MARKET SHARE AND WHITESPACE TO GROW



## EXPANDING REACH WITH A STRONG AND DIVERSIFIED RETAILER NETWORK



## SUPPLY CHAIN CAPABILITY AND ENGAGED CUSTOMER FOCUSED CULTURE







# AMATIL AUSTRALIA

## NARTD, ALCOHOL, COFFEE

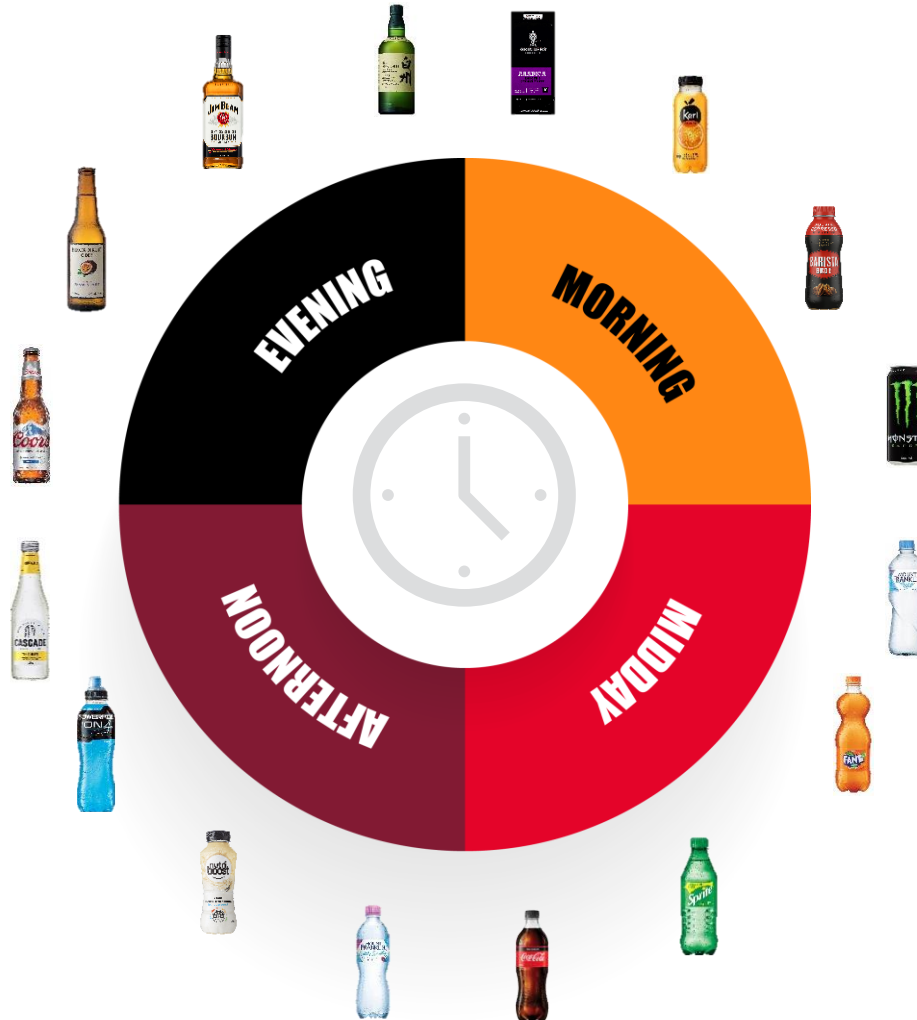
**Peter West**

Managing Director Australia



# A BEVERAGE FOR EVERY OCCASION, FOR EVERY DAY PART AND FOR EVERY CUSTOMER

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# AUSTRALIA

## SUMMARY

### Organisational model for Growth

- Building a high performing and engaged organisation

### Deep Dive on the Accelerated Australian Growth Plan

- Confidence in the NARTD category
- Re-cap on the AGP
- Pricing & Revenue Growth Management
- Progress of the AGP
- Insulating & leading with sustainability
- Strengthening our distinct advantages

### Driving Alcohol performance

- The continued landscape change
- Our growth focus

### Winning in Coffee

- Driving our right to win in a dynamic market

### Q&A



# ORGANISATIONAL MODEL FOR GROWTH



# THE SCOPE OF THE MULTI-BEVERAGE POWERHOUSE OPPORTUNITY

## FOR OUR CUSTOMERS

Bringing to life the full potential of beverages for our customers

Seamless customer experience



## WITHIN COCA-COLA AMATIL

Reduction in doing business with ourselves

Leveraging the full resources and assets of the Australian business

Prioritisation of resources for execution



## TO MAINTAIN IN THE NEW STRUCTURE

Specialised sales focus

Business as usual for customers with no disruption due to the new structure

Partnership routines



# AMATIL'S ROLE: A GREAT BOTTLER FOCUSED ON EXECUTION

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## PARTNER

Strong partnership and high-performance collaboration with Coca-Cola South Pacific & Beam Suntory on great marketing and a **WINNING PORTFOLIO**

Partnerships with owners of **DISTINCTIVE BRANDS** that offer incremental opportunities and leverage scale and customer breadth

### THE COCA-COLA COMPANY

Beam SUNTORY made  
with 100% natural ingredients

MOLSON Coors 100% Natural Spring Water

MONSTER AUSTRALIAN BEER CO

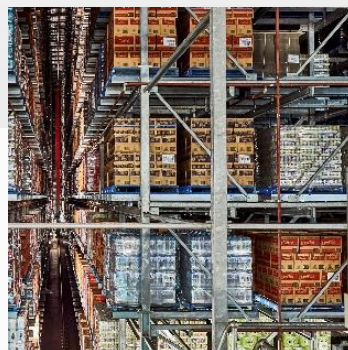
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## EXECUTE

World-class **BOTTLING** Operations with benchmark performance for safety, quality, environment, service and cost



Efficient **WAREHOUSING** and **DELIVERY** that balances cost efficiency and service delivery



Best-in-class **SALES** and **ACTIVATION** that maximises availability, revenue, drink incident and market share performance



Efficient placement and **SERVICE** of **DRINK EQUIPMENT** that stimulates consumption and customer loyalty

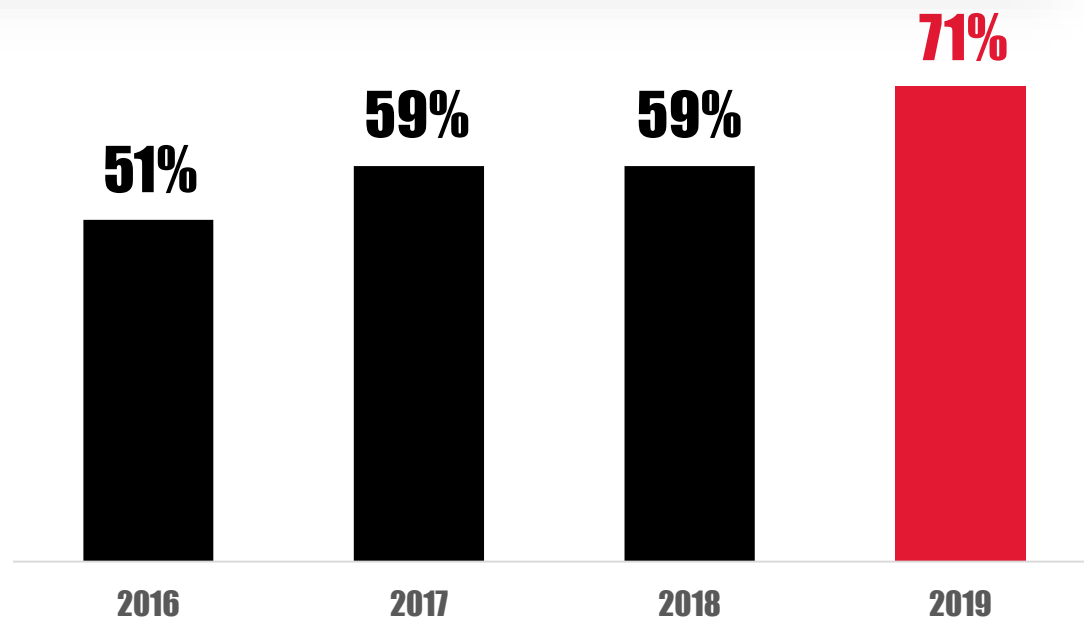


**STRONG ORGANISATION** | Focused on winning with customers

# WE HAVE STEP CHANGED ENGAGEMENT THROUGH CLARITY OF STRUCTURE, ACCOUNTABILITY AND FEEDBACK

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In 2019 employee engagement increased **+12 PPTS**



## AREAS OF PROGRESS



Decision making

**+10 PPTS**



Collaboration

**+7 PPTS**



Performance culture

**+15 PPTS**



# WE NAVIGATE A MULTI-BEVERAGE PORTFOLIO THROUGH CLEAR DESIGN PRINCIPLES TO ENSURE CHANNEL CLARITY AND OWNERSHIP

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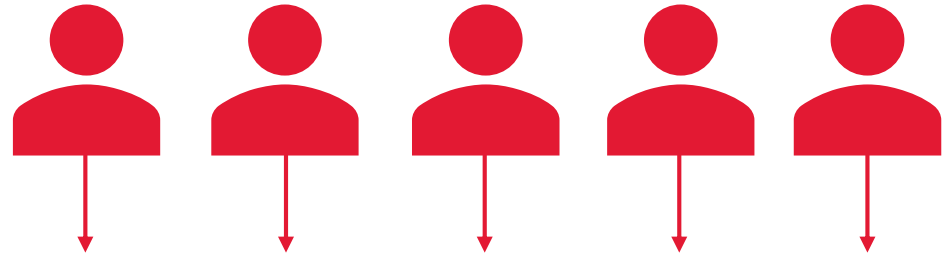
## FROM: STATE FOCUS

- **State based structure** covering all Channels and a central strategy team



## TO: CHANNEL FOCUS

- Focused **Channel structure**
- **Ownership** from **strategy** to **execution**
- **Clarity** of channel **portfolio** and **strategy**



# DEEP DIVE ON THE ACCELERATED AUSTRALIAN GROWTH PLAN

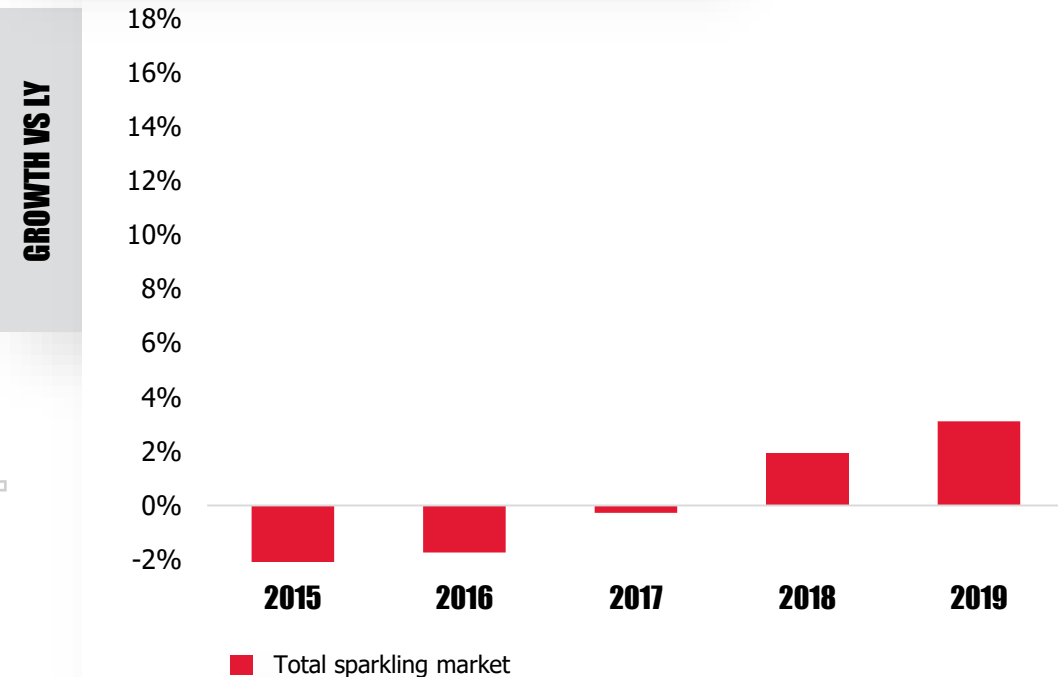


# WE TAKE CONFIDENCE FROM A GROWING CATEGORY

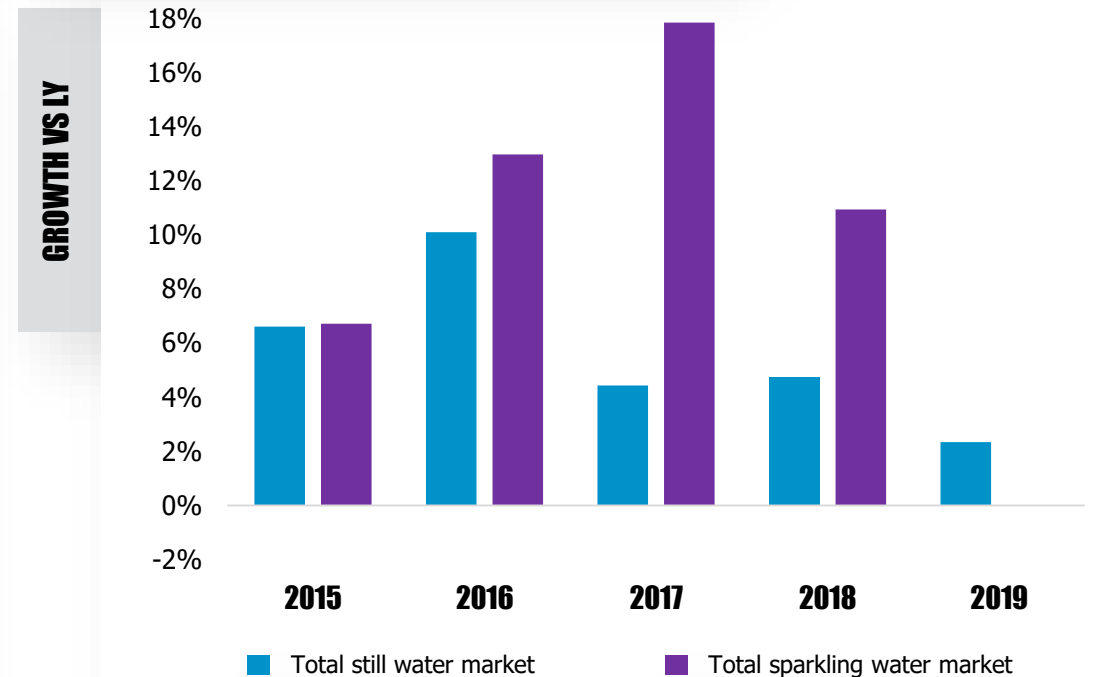
The sparkling beverages category has returned to growth and sparkling water continues to underpin growth in the water category

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## SPARKLING VALUE GROWTH



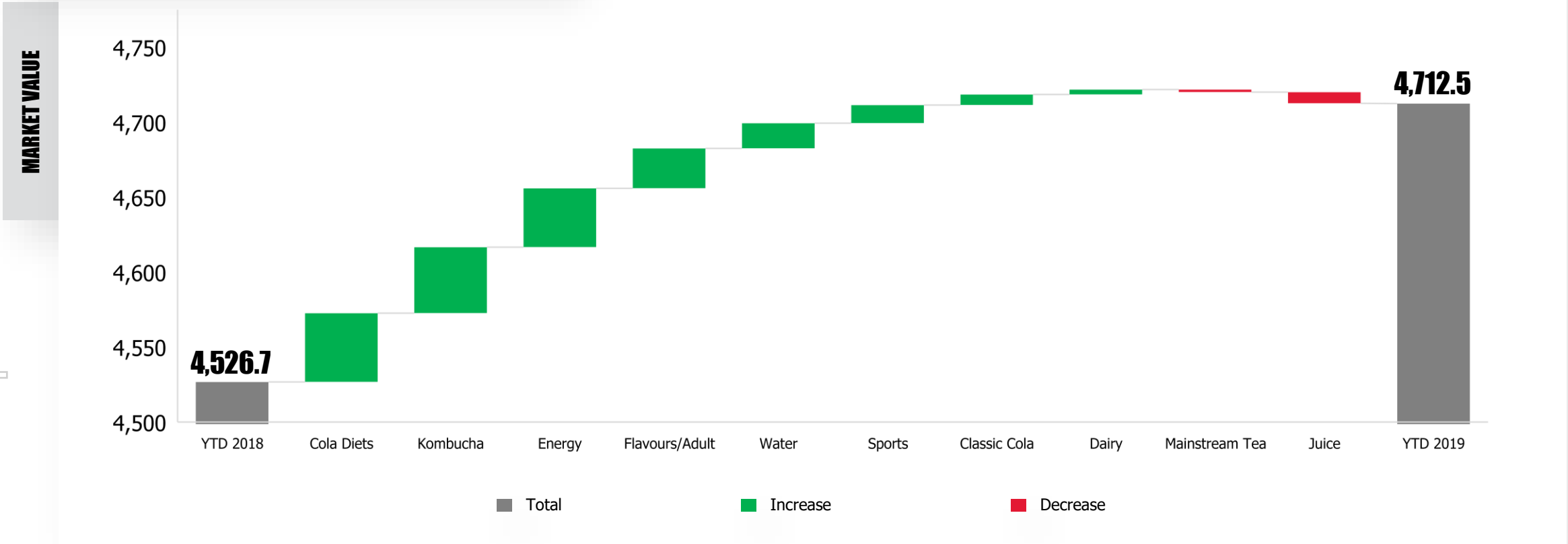
## WATER VALUE GROWTH



# POSITIVE OUTLOOK FOR MOST NARTD CATEGORIES

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## 2019 TOTAL MARKET VALUE GROWTH



# OUR FOCUS IN 2020 REMAINS ON THE EXECUTION OF THE ACCELERATED AUSTRALIAN GROWTH PLAN

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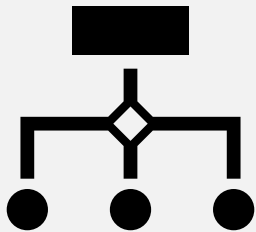
STRATEGY	LEAD		EXECUTE		PARTNER
AMBITION	Maintain #1 NARTD position, winning NARTD market value growth A broad, innovative consumer-centric portfolio and best-in-market execution Make the "Total Beverages Company" strategy a market reality				
OBJECTIVES	REJUVENATE THE CORE		DOUBLE DOWN IN GROWTH AREAS	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

# WE HAVE UTILISED GLOBAL INSIGHT IN DEVELOPING RGM 1.0 AND RGM 2.0

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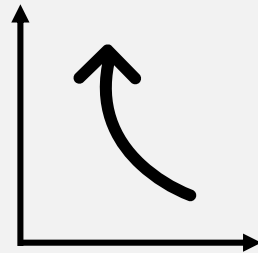
## SHOPPER DECISION TREES

**Fact based analysis** providing insight into **shopper behaviour** between and within **beverage categories**



## PRICE ELASTICITY

**Dynamics** between **price** and **volume** uplift across different brands and packs



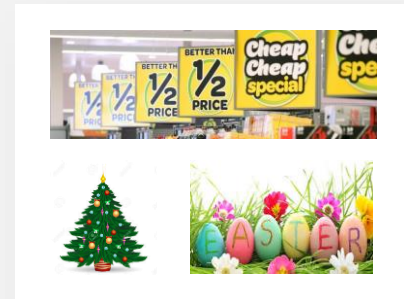
## ROI AND PROFIT

**Evaluation** into the **investment strategy**, balanced between **Amatil** and **customer needs**

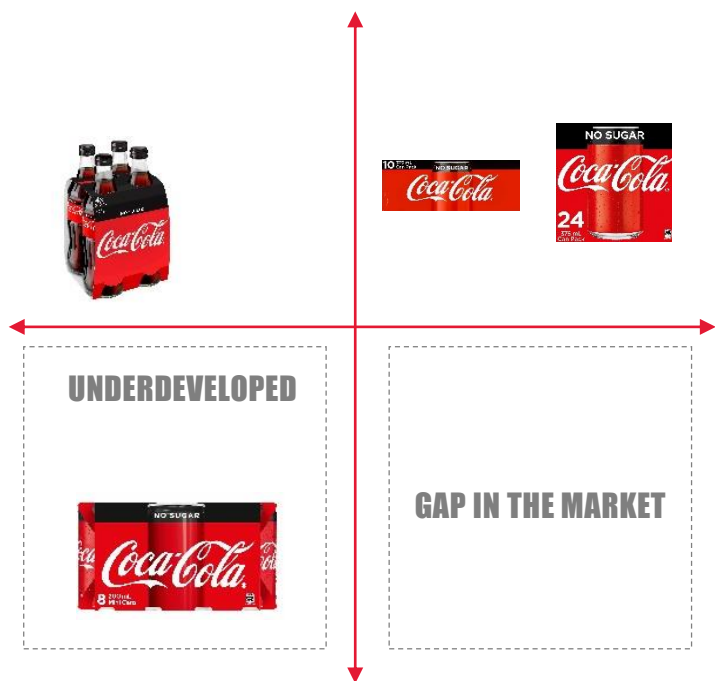


## MARKET CONTEXT & ENVIRONMENT

- Understanding **customer priorities**
- **Key** calendar **selling weeks**
- Consideration of the current and future **competitive environment**
- **Overseas trends**

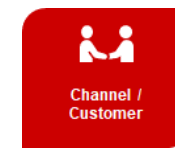
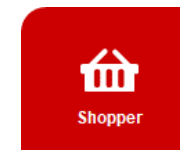
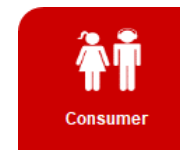


# OUR RGM PROGRAM FOCUSES ON LEVERAGING OPPORTUNITIES IN THE MARKET TO MAXIMISE VALUE THROUGH PACK PRICE ARCHITECTURE



## MARKET IMMERSION

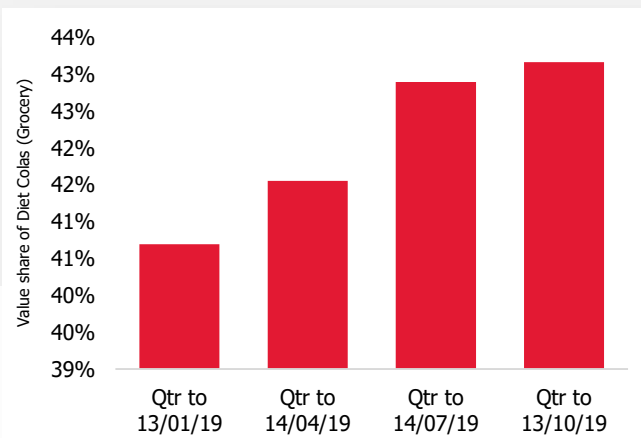
Applying a **continued consumer, shopper and customer lens** ensures our **pack price architecture** aligns to the needs of all stakeholder groups



# COLA REMAINS THE MOST IMPORTANT MUST WIN CATEGORY. WE ARE FOCUSED ON THE SUCCESS OF NO SUGAR, REVITALISING DIET COKE AND BIG BRAND ACTIVATION THROUGH "SHARE A COKE"

## ONGOING COMMUNICATION AND ACTIVATION OF COCA-COLA CLASSIC AND COCA-COLA NO SUGAR

Coca-Cola No Sugar value share of Diet Colas



## DIET COKE RETURNS TO DISTINCTIVE SILVER PACKAGING

Making it easier & desirable for core drinkers to find the product



## RELAUNCH OF COCA-COLA'S LARGEST GLOBAL CAMPAIGN

> 450 names and an extended period of 5 months, vs 2011 launch of 150 names and 3 months





# WATER STRATEGY: GROW SPARKLING THROUGH STRONG INNOVATION AND HOLD OUR GROUND IN STILL

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## PRIORITIES & PROGRESS

### 01 ACCELERATE RECRUITMENT OF NEW CONSUMERS INTO SPARKLING WATER

The sparkling water category is forecast to continue growing ahead of still water.

Mount Franklin is the #1 sparkling water brand in value.

The new Mount Franklin Lightly Sparkling 10 packs cans will be launched early next year and line priced with CC-System Soft Drink 10 packs, allowing it to be promoted as a soft drink alternative.

Launch of a new marketing campaign over summer to attract new consumers to Mount Franklin Lightly Sparkling.

### 02 DRIVE AWARENESS OF KEY SUSTAINABILITY INITIATIVES

New marketing campaign including on-pack, TV, out of home and online will communicate that Mount Franklin bottles are made of 100% recycled plastic.

## KEY ACTIVITY



# ENERGY REMAINS AN EXCITING CATEGORY AND WE ARE BALANCING GROWTH BETWEEN COKE ENERGY AND MONSTER IN 2020

We are #1 by volume in Energy<sup>(1)</sup>, leading in No Sugar and growing ahead of the category<sup>(2)</sup>. We will continue to focus on expanding the portfolio and improving execution to drive performance.

## PRIORITIES & PROGRESS

### 01 NEW PRODUCT DEVELOPMENT

**IN 2019 WE LAUNCHED FOUR SKUS OF COCA-COLA ENERGY AND FIVE ADDITIONAL SKUS OF MONSTER AND MOTHER**

The Coca-Cola Energy launch execution drove trial rates amongst the best in the industry, however repeat rates are lower than anticipated<sup>(3)</sup>

The new Monster SKUs are performing well and we anticipate increased ranging in 2020

### 02 INCREASE PENETRATION AND SHARE

Amatil's volume share of the energy category in combined grocery and petrol & convenience demonstrates a clear leadership position<sup>(1)</sup>

The Amatil energy portfolio grew in double digits value over the last six months in grocery accounts, driving growth in the total category<sup>(2)</sup>

### 03 STRONG PARTNERSHIP WITH BRAND OWNERS UNLOCKING ACTIVATION

Continuing to drive best in class execution with the Monster team against local and global assets including the UFC, V8 Supercars, Attack the Track, Road to Surf

## KEY ACTIVITY



# WE ARE CONFIDENT IN THE BUILDING SUCCESS OF NUTRIBOOST INNOVATION DESPITE CHANGED MOMENTUM IN THE DAIRY CATEGORY

We are growing value added dairy ahead of the market in Grocery, with Nutriboost contributing to value share gains

## PRIORITIES & PROGRESS

### NUTRIBOOST

Earlier this year we expanded our value added dairy portfolio with the launch of Nutriboost – a 5-star health rated offering with no added sugar

Since launch new consumers have been attracted to the category, with 38% of shopper spend on Nutriboost being incremental to the value added dairy category and a large portion of switching coming from competitors

Trial of Nutriboost Chocolate is performing ahead of the 75th percentile of all launches within the last 2 years, Vanilla is right on the 75th percentile and Banana is not too far behind

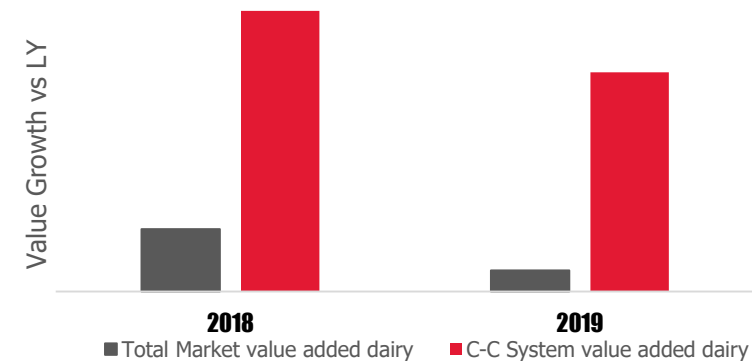
All three variants are above the median repeat rate

### BARISTA BROS

Barista Bros continues to see value share growth in Grocery

Forward focus for Barista is on improved visibility and activation to further drive performance

### VALUE ADDED DAIRY, GROCERY VALUE GROWTH



# KOMBUCHA SALES VARY SIGNIFICANTLY BY POSTCODE AND WE ARE DISTRIBUTING MADE TO SPECIFIC RECA OUTLETS

## ORGANIC & RAW



### THE KOMBUCHA CATEGORY HAS EXPANDED

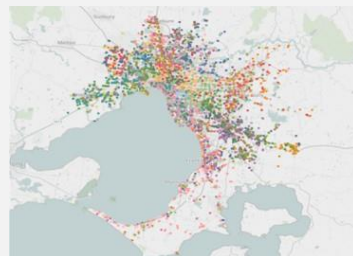
Kombucha growing +110% value growth vs last year in the Retail Channel. The category is currently valued at \$115M<sup>(1)</sup>

Since a year ago, there are 29% more brands in the category, as well as new pack formats with the introduction of cans & multi-packs

### A POSTCODE GAME

80% of Kombucha sales come from 56% of postcodes<sup>(2)</sup>

Increased focus in top Kombucha postcodes has led to +10% more stockists for Mojo this month in the On the Go channel<sup>(3)</sup>



## MADE GROUP

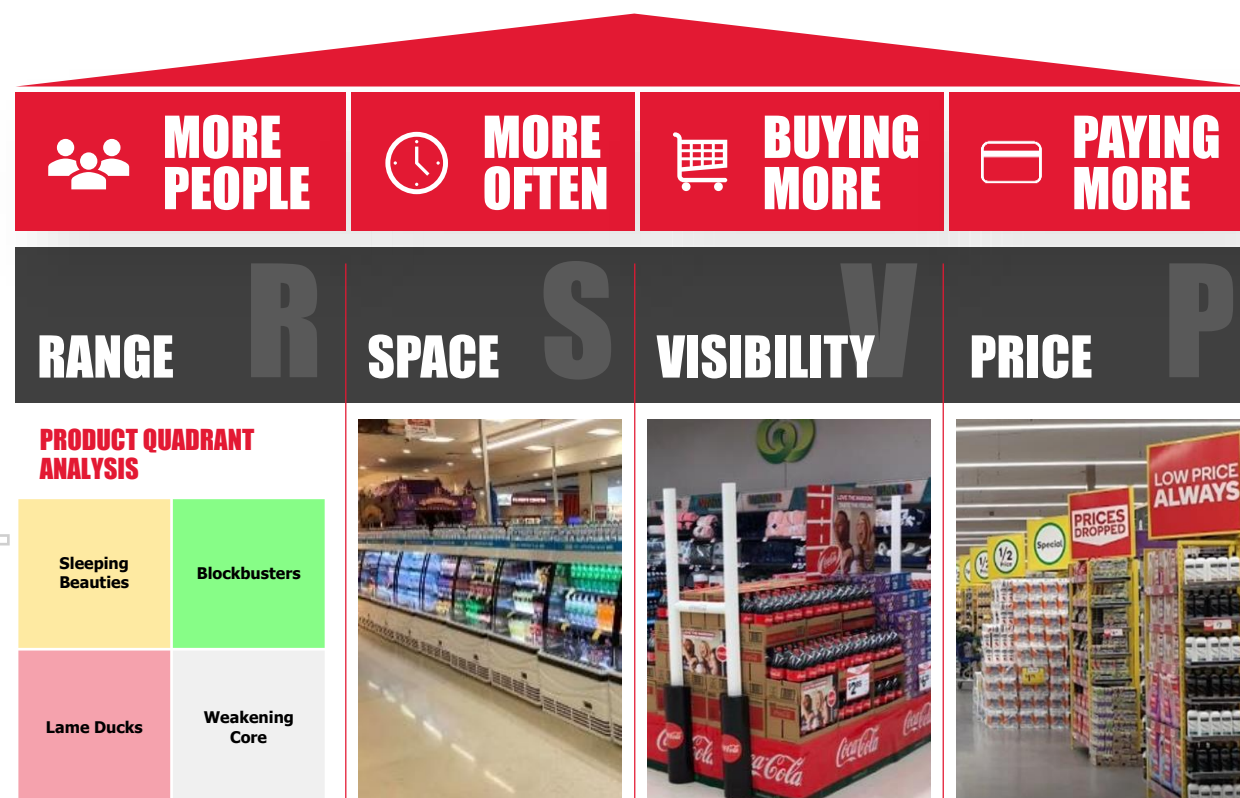
### COCA-COLA AMATIL INTRODUCED IMPRESSED JUICE AND ROKEBY FARMS INTO THE PORTFOLIO ON 1<sup>ST</sup> JULY 2019

Impressed & Rokeby Farms have been introduced in 1,500 targeted outlets using learnings from the Mojo launch



# GROCERY SUCCESS REMAINS CORE TO OUR BUSINESS AND WE ARE UNLOCKING GROWTH THROUGH THE PERFECT STORE MODEL AND IN-HOUSING MERCHANDISING

The "Perfect Store" Shopper Framework:



## WINNING IN GROCERY

**THE "PERFECT STORE" FRAMEWORK ENABLES US TO BETTER UNDERSTAND OUR GROCERY SHOPPERS:**

- Optimising Range guided by Product Quadrant Analysis (PQA)
- Space management to entice the shopper, reduce out of stocks and make the category easier to shop
- Visibility maximized via disruptive Point of Sale material, with focus on peak festive periods
- Promotional calendar mechanics and seasonal packs to optimise Price

**IN SEPTEMBER WE BROUGHT OUR STORE MERCHANDISING SERVICES IN-HOUSE, FURTHER DRIVING FLAWLESS IN-STORE EXECUTION AND IMPROVED CUSTOMER SERVICE, WITH PARTICULAR FOCUS ON THE TOP 1/3 OF STORES THAT DELIVER 50% OF OUR VOLUME**

# KEY SELLING WEEKS ARE FUNDAMENTAL TO SUCCESS AND OUR FOOTY FINALS EXECUTION GIVES CONFIDENCE TO OUR XMAS PROGRAM

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## FOCUS ON PEAK PERIODS

### KEY SELLING WEEKS

Key selling weeks include Christmas, Easter, Australia Day and Footy Finals. In these periods, shoppers on average spend more within the category and a higher portion of shoppers enter the category.

### OUR PLANS TO MAKE OUR KEY SELLING PERIODS INSPIRING AND ENGAGING INCLUDE:

Seasonal, limited edition job-lots to secure incremental display locations, engage new shoppers and drive price realisation

Impactful Point of Sale (POS) to disrupt and engage shoppers

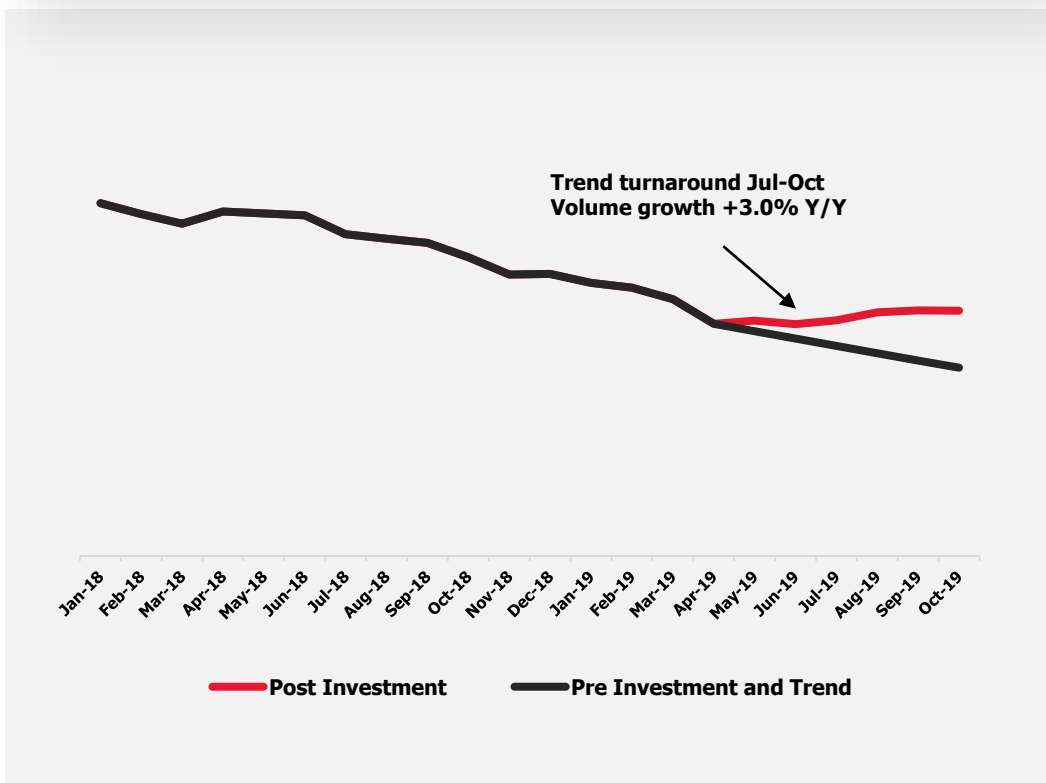
Insight-led display adjacencies to drive higher value in these peak periods





# WE HAVE SEEN A CONTINUED BENEFIT FROM THE FEET ON THE STREET INVESTMENT AND DRIVING RIGHT RANGE IN-STORE

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## IMMEDIATE CONSUMPTION VOLUME TREND



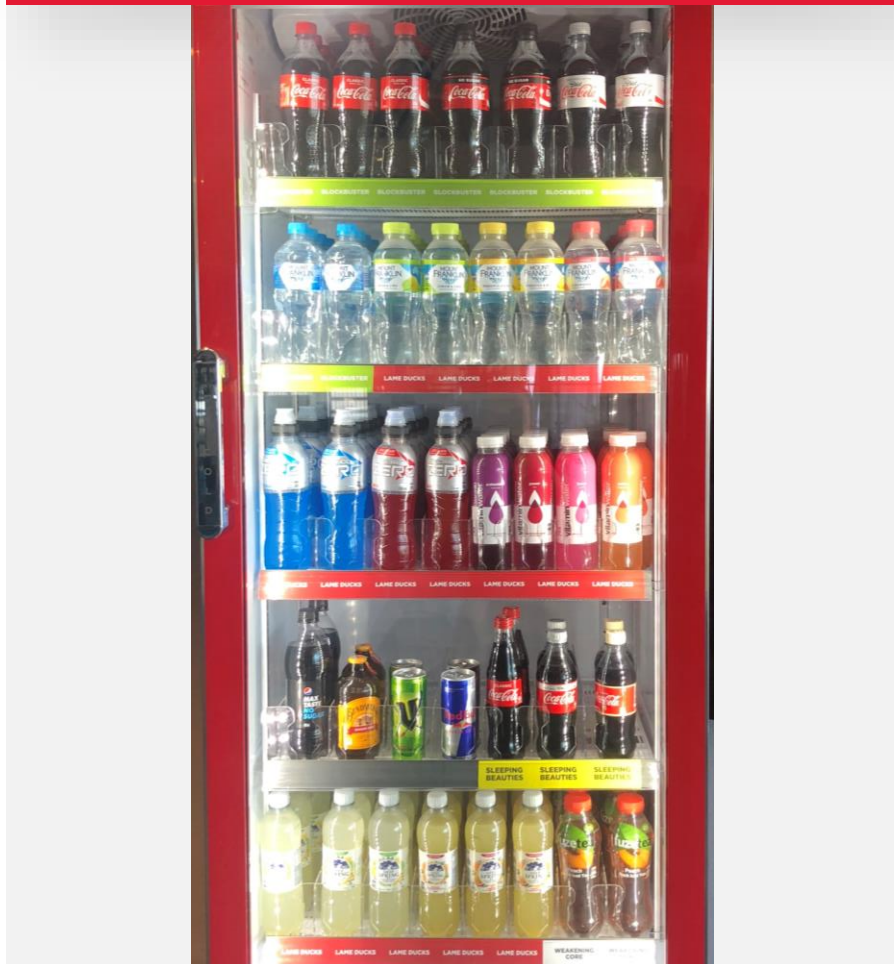
## CHANNEL WINS

<b>"MUST WIN" PRODUCTS</b>	 <b>+2.1%</b> <b>SOFT DRINKS 600ML</b>	 <b>+2.2%</b> <b>MT FRANKLIN 600ML</b>
	UC Jul-Oct 19 vs LY	
<b>CORE PRODUCT RANGE</b>	<b>+14,320 PTS</b> Oct-19 last 13 weeks	
<b>SHELF SHARE</b>	<b>+2.1% PPTS</b> Oct-19 vs LY	
<b>NET OUTLET COUNT</b>	<b>+1.1%</b> Active outlets last 13 weeks	
<b>ORDER COUNT</b>	<b>+11.5%</b> Orders Jul-Oct 19 vs LY	

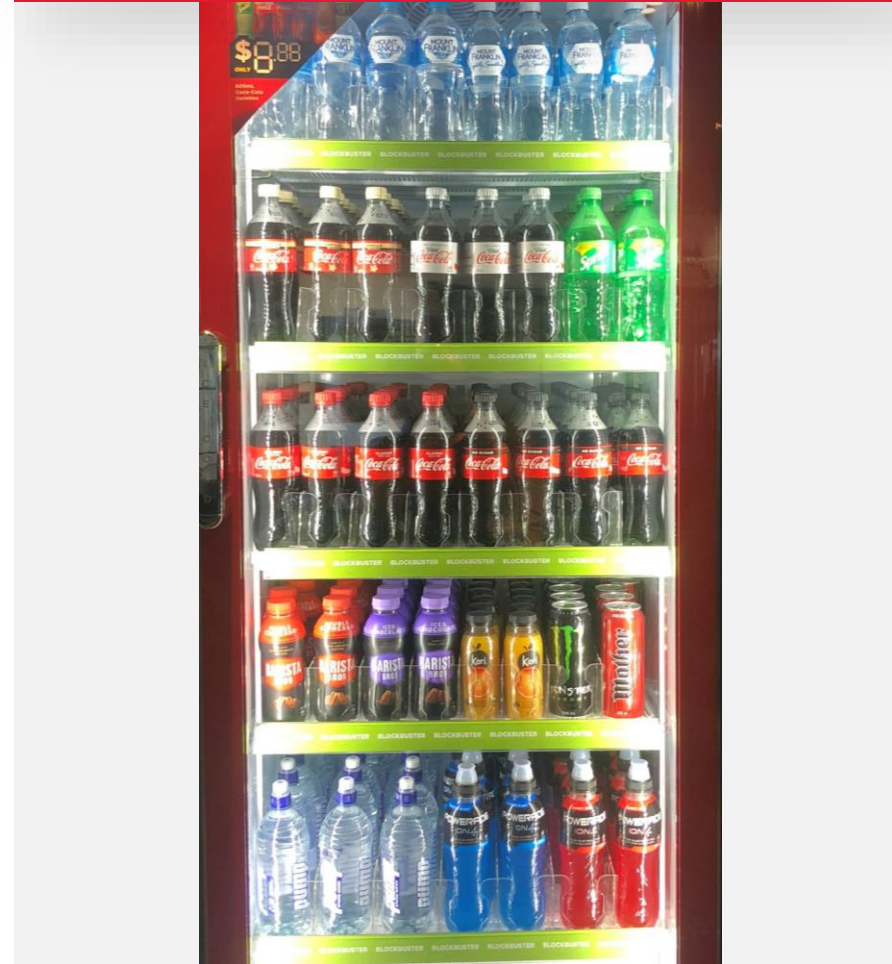
# PRODUCT QUADRANT ANALYSIS (PQA) IS ENABLING PRECISION RANGING AND ACTIVATION

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## PRE PRODUCT QUADRANT ANALYSIS COOLER



## POST PRODUCT QUADRANT ANALYSIS COOLER





# THE PETROL AND CONVENIENCE CHANNEL REMAINS BUOYANT AND WE CONTINUE TO GAIN MARKET SHARE

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**LOOSE CHANGE PROMOS**

**SHARE PACKS**

**CHILLED FRONT SHELF ENDS**

## EXTENDING OUR LEADERSHIP

### ENERGY

Energy remains the largest category in C&P by value and we continue to see growth in market share, gaining +0.7 pts in the last year

### WATER

Water performance remains strong, with ranging gains in 2019 seeing C-C System now representing over 50% of the water category in value share, +6.9 pts in the last year

### CSD

CSD value remains in growth, and key initiatives including \$2 coolers and chilled front shelf ends will further extend our strong market leadership in the petrol and convenience channel



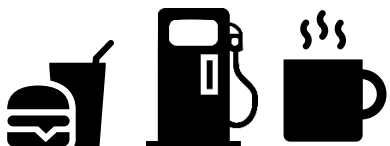
# BEVERAGE INCIDENCE INCREASES ACROSS NEW NATIONAL CUSTOMERS HIGHLIGHTS OUR VALUE AS A BUSINESS PARTNER

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## UNRIVALLED CUSTOMER, CHANNEL AND INDUSTRY KNOWLEDGE

### 250+ RETAILERS

- Quick service restaurants
- Independent grocery
- Petrol and convenience
- Entertainment & cinemas
- Coffee chains & catering



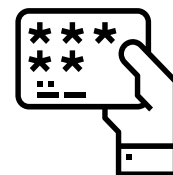
### TRANSACTION DATA

- Every channel
- All products
- Store by store
- Every day
- Every minute



### LOYALTY DATA

- Shopper and store segmentation
- Tailored offerings



### BENCHMARKING

- Industry, geography and incidence based benchmarking
- Store clustering



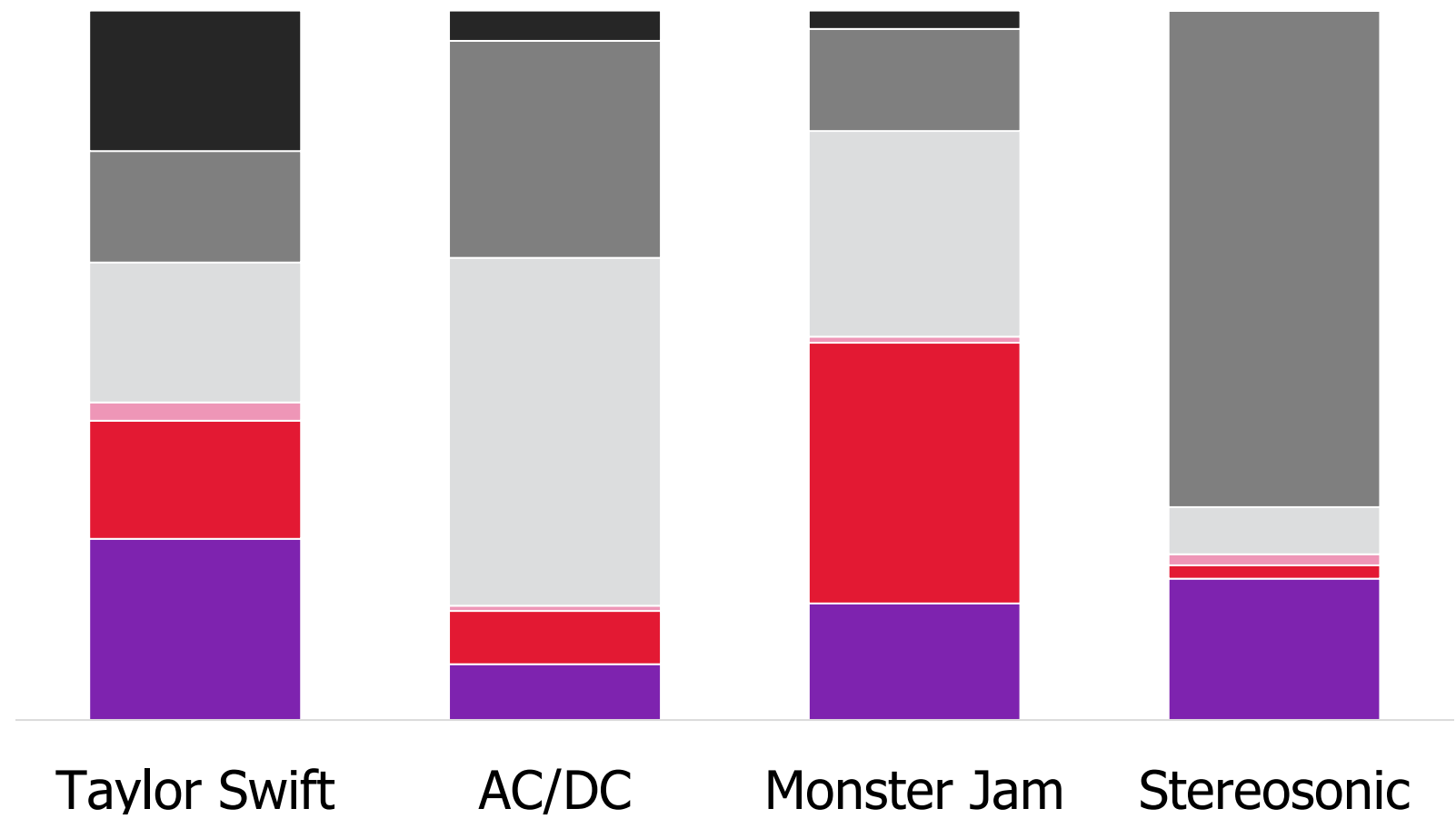
## INSIGHT BASED RECOMMENDATIONS TO DRIVE GROWTH ACROSS OUR CUSTOMERS

# DIFFERENCES IN DRINK CHOICES INDICATE CROWD MAKE-UP

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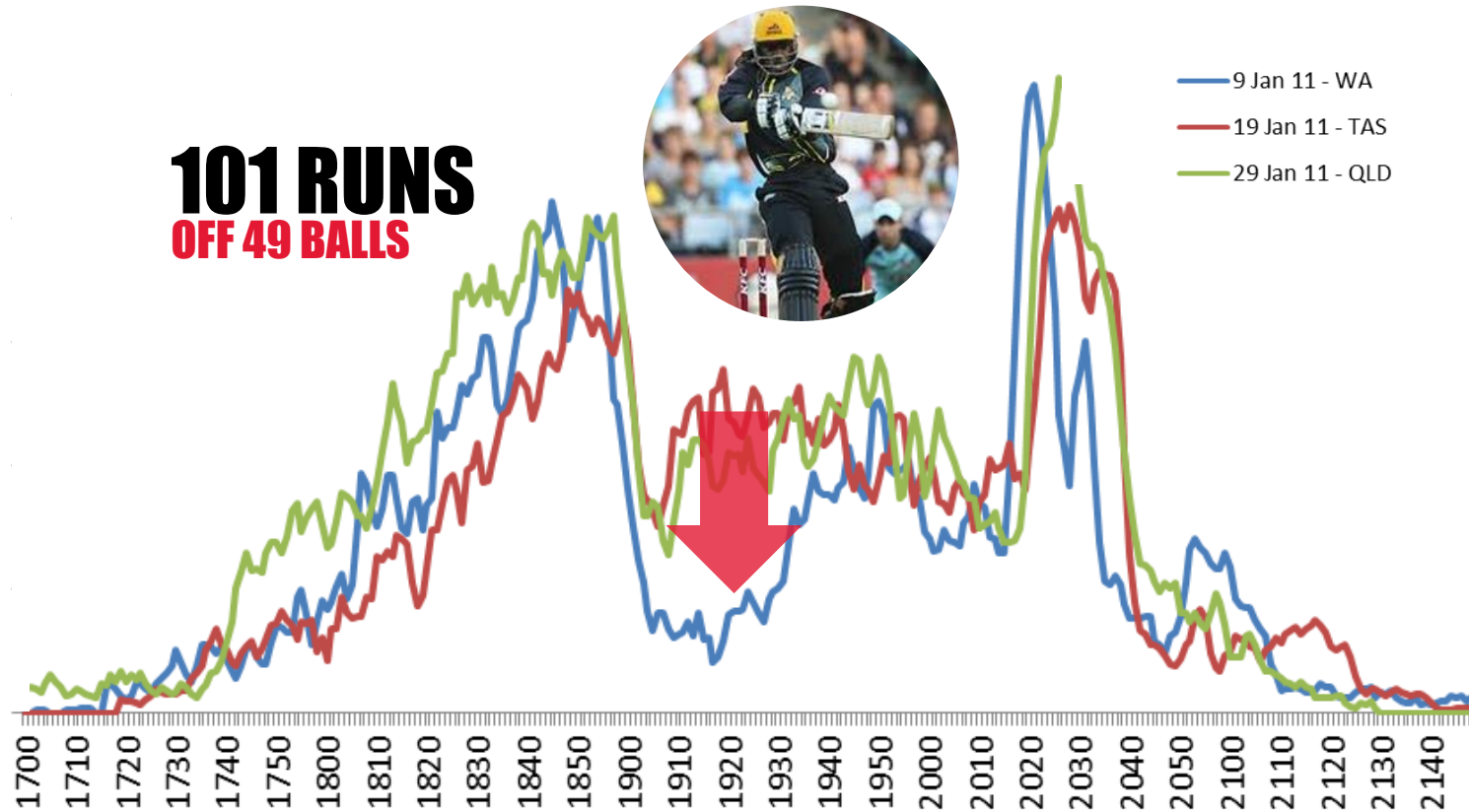
## BEVERAGE VOLUME SPLIT BY EVENT TYPE

- Water
- CSD
- Other Cold Drink
- Beer
- RTD
- Wine



# GOOD GAMES CAN BE BAD FOR SALES PATRONS TOO ENGROSSED TO LEAVE THEIR SEATS

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# OUR EQUIPMENT FLEET IS A SIGNIFICANT STRATEGIC ASSET AND WE ARE DRIVING IMPROVEMENT IN PERFORMANCE



PIECES OF EQUIPMENT IN THE TRADE <sup>(1)</sup>

**153,000**

VALUED AT <sup>(1)</sup>

**\$145m**

COOLER PURITY <sup>(2)</sup>

**82%**

## Optimising our fleet

- **Cooler Performance Project** underway to improve underperforming equipment in the market
- **Technology** and **innovation** to drive consumer experience and enter new categories
- **Sustainability focus** has seen coolers using between 55%-70% less energy (vs 10 years ago) and between 75%-88% being recyclable, depending on cooler type

# OUR SUSTAINABILITY COMMITMENTS ARE CRITICAL FOR INSULATING THE BUSINESS

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## We are on track with SUGAR REDUCTION TARGETS

### 2020 TARGET

To reduce sugars by  
**10%**  
vs 1 Jan 2016

### 2025 TARGET

To reduce sugars by  
**20%**  
vs 1 Jan 2016

## We are leading the market in SUSTAINABLE PACKAGING

Australia is **the first country** in the world where all Coca-Cola bottles, 600ml and under, are made from 100% recycled plastic

We encourage **recycling** of every bottle with an on-pack message

**Multimillion dollar** media campaign to inform consumers that our bottles are recycled plastic and to encourage recycling

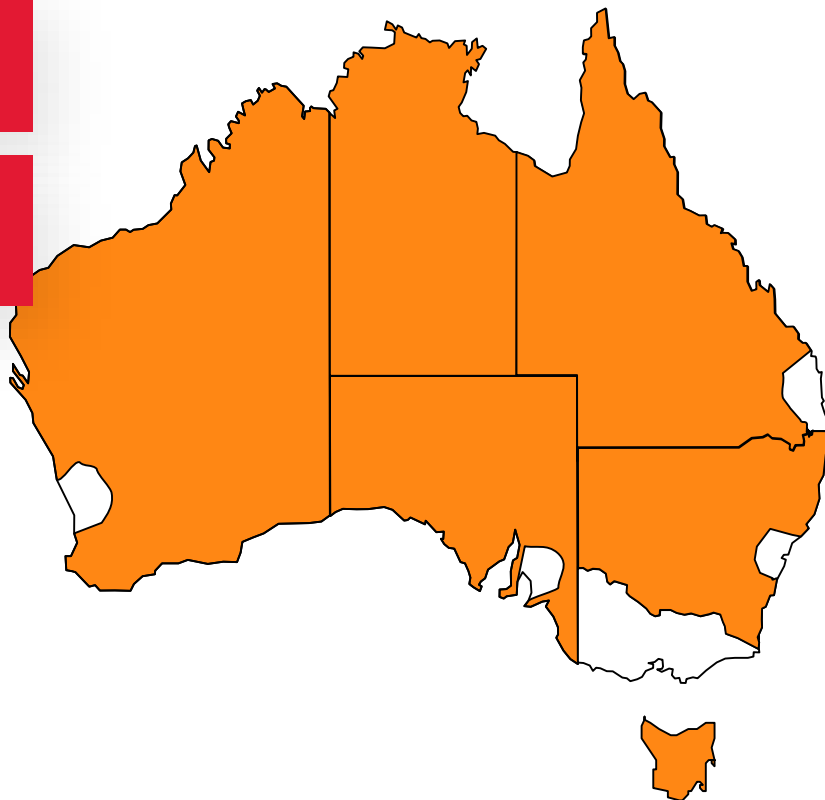


# THE REGIONAL COVERAGE OF AMATIL IS A SIGNIFICANT MOAT THAT WE HAVE STRENGTHENED IN OUR NEW STRUCTURE

Our Sales Force understands our Regional Communities

**270 FRONTLINE SALES EMPLOYEES**

**SERVICING >14,000 CUSTOMERS**



## REMOTE SALES REPRESENTATIVES

Specialised vehicle in the Onadatta Track (SA)



## REGIONAL DELIVERIES

Shipping stock at the Maningrida barge landing (NT)



# OUR LEAN AND AGILE NETWORK CONTINUES TO STRENGTHEN THROUGH A COMBINATION OF PROJECTS AND OPERATIONAL IMPROVEMENTS

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## CONTINUED EFFICIENCY ACROSS BOTTLING, WAREHOUSING AND DELIVERY

### BENCHMARKING

State based benchmarking to identify best practice and drive efficiency in each step

### CUSTOMER EXPERIENCE

Integrated customer service platform, capturing feedback and increasing performance across product, delivery and service

### UNPLANNED DOWNTIME OPTIMISATION

Continued reduction focus, generating more capacity and optimising manufacturing costs

### AUTOMATION

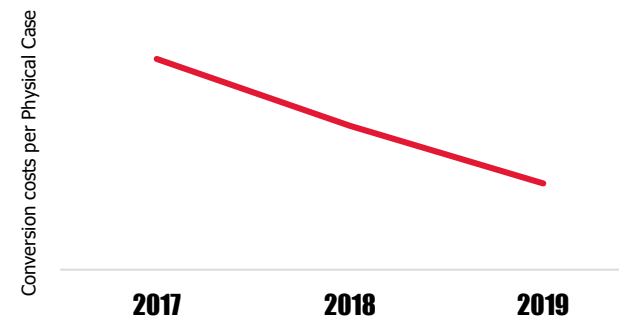
Process evaluation and integration, leveraging technology advances in machines and robots

### TRANSPORT NETWORK SYNERGIES

Partnering with transport companies to maximise modal shift

## CONVERSION COSTS HAVE REDUCED

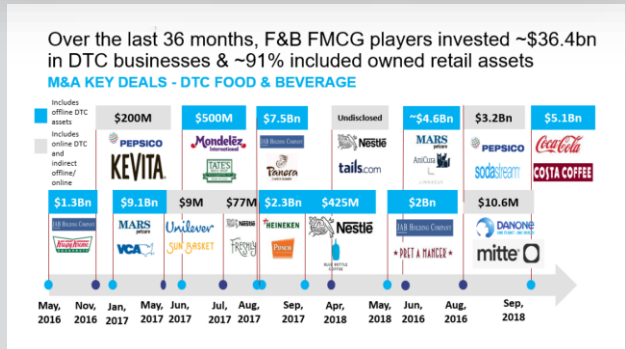
Over the last 2 years





# NEVERFAIL IS A SMALL HIDDEN GEM OF AMATIL AND HAS THE OPPORTUNITY TO BE THE SUSTAINABLE WATER COMPANY

## Our global FMCG peers are acquiring **DIRECT-TO-CONSUMER COMPANIES**



We have strong D-to-C foundations:

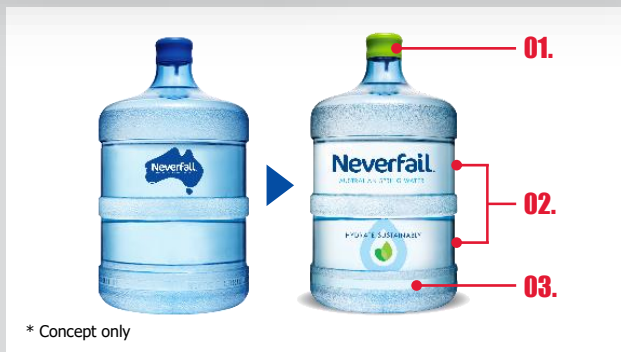
**70,000**  
coolers

**> 40 TIMES**  
bottles refilled

**65,000**  
customers

**END-TO-END**  
integration

## The brand will evolve to communicate **A POWERFUL STORY**



\* Concept only

- 01.** Differentiation between Neverfail bottle and generics
- 02.** Two labels for additional communication or augmented reality
- 03.** Nod to a "Greener Planet" (environment / sustainability)

Supported by IT investment for

**ENHANCED CUSTOMER EXPERIENCE**

## We are investing in a platform which will **ENABLE FUTURE INNOVATION**

A strong brand and customer experience will provide a launch pad, **ENABLING US TO INNOVATE**



**THAT PROVIDES A PLATFORM FOR LAST MILE DISRUPTION**

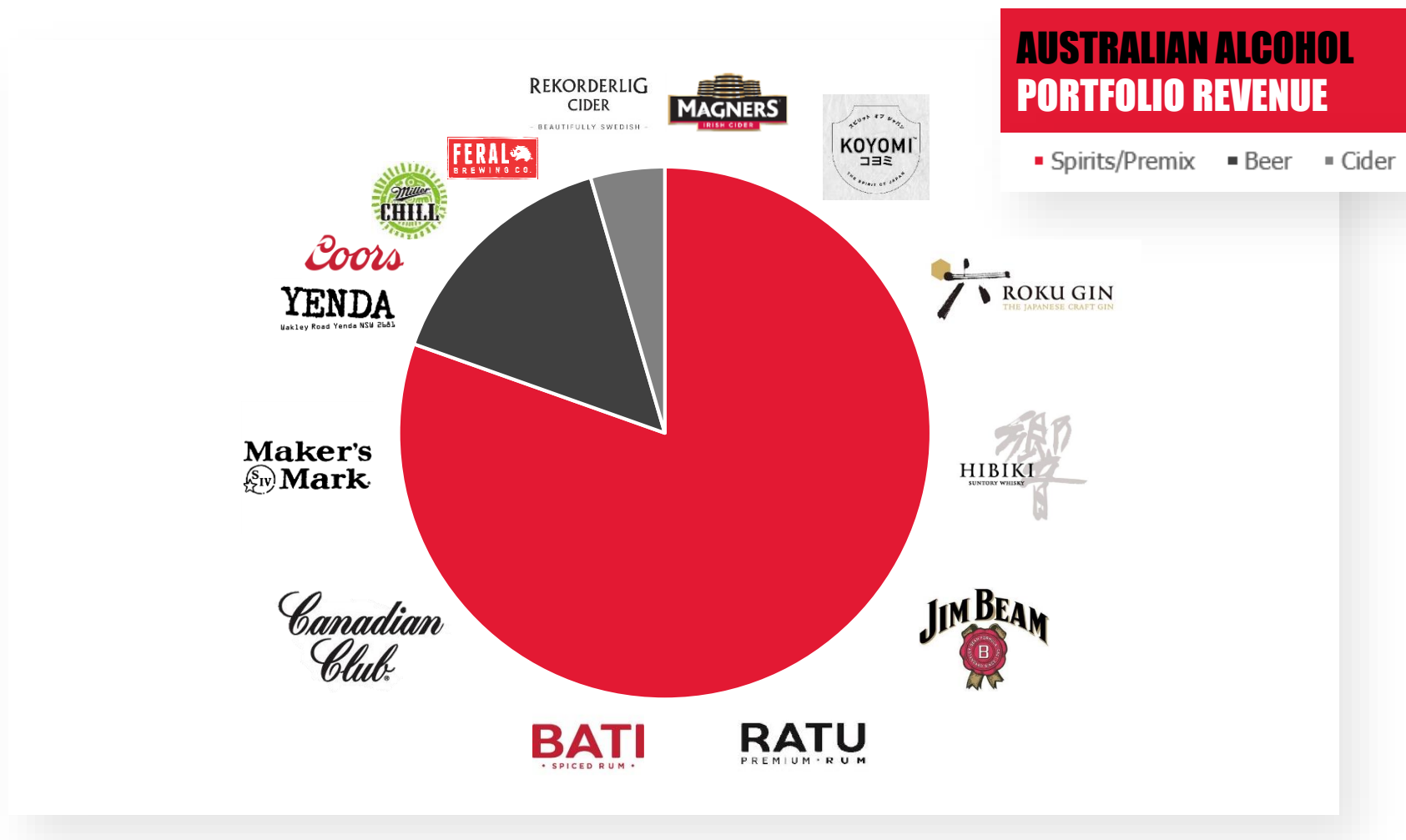
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# DRIVING ALCOHOL PERFORMANCE



# THE BEAM SUNTORY PARTNERSHIP UNDERPINS OUR STRENGTH AND BEER REPRESENTS THE FUTURE GROWTH HORIZON

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# SPIRITS & PREMIX PRIORITIES

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## MUST WIN

**MAINSTREAM & HIGH ABV READY TO DRINK (RTD)**

**Jim Beam & Canadian Club**



**MAINSTREAM FULL BOTTLED SPIRITS (FBS)**

**Jim Beam & Canadian Club**



## DOUBLE DOWN

**MID STRENGTH & ZERO**  
**Canadian Club**



**PREMIUM & SUPER PREMIUM FBS**  
**Makers Mark, Brand Japan, allocated liquids**



## STABILISE

**VODKA FBS**  
**Biala**



## INITIATIVES

- Key selling weeks
- Range prioritisation
- Recruitment through CC draught

- Expansion of the core
- Product event activation

- First pour vodka focus
- Back of bar wins

# DOUBLE DOWN: DARK RTD REFRESHMENT

Continue to lead 'refreshment' as a growth category for RTD by expanding into mid-strength and zero

## CANADIAN CLUB: EXPANDING FROM CORE

Canadian Club has been core to the expansion of the Dark RTD category over the last 2 years – contributing in excess of 50% of Dark RTD category growth. Initiatives focus on continuing to drive growth by expanding beyond the core RTD offering

### DRIVING TRIAL

CC Draught has a unique presence in On Premise by driving brand trial

—  
Opportunity to extend brand to more occasions

### EXPANDING THE CORE RANGE

Continue to leverage consumer trends for moderation through CC Mid Strength. Stadiums and events will be key to driving trail

—  
CC Zero is performing stronger than competitor offerings

Canadian Club.  
**NOW  
ON TAP!**



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ccamatil.com



COCA-COLA AMATIL

Source: Market data. AU Liquor scan value data. 12 months to 13/10/19.

Canadian Club  
Brewery

Over beer?  
Coca-Cola Amatil 2019 Investor Day

# DOUBLE DOWN: PREMIUM & SUPER PREMIUM FBS

Amatil & Beam are leading the premiumisation of Bourbon through Makers Mark. In 2020, we will further diversify our portfolio into key premium growth categories unlocking profit opportunities.

## LEADING PREMIUM BOURBON

Makers Mark is the fastest growing major Premium Bourbon

Clear #1 priority in Premium

Runway for growth on 1 litre

Price repositioning on Makers 46



## BRAND JAPAN – NEW CATEGORIES

Expanding beyond our base

Roku is the #2 player in the Super Premium Gin category

Haku in Premium Vodka

Toki bringing a new entry point to Japanese Whisky



## MAXIMISING ALLOCATED LIQUIDS

Amatil has consistently sold through Beam global allocations

Creating new opportunities



## RUM CO FIJI

Continued focus in On Premise to drive trial and awareness

Support plan for national accounts

Double Gold at 2019 San Francisco WSC



# LEVERAGING “THE EXCHANGE” TO BRING OUR ALCOHOL BRANDS TO LIFE

Established as the market leading go to team for drinks culture, trends & experiences

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## THE EXCHANGE

### ON/OFF PREMISE CUSTOMER



- Serviced by 10 On & Off Sales Specialist
- Tailored commercial agreements
- Tailored & bespoke POS and activity
- Cocktail & Drinks menu creation
- Core range focus / distribution
- Media / Social Media support
- Allocated liquid management

### EVENTS & EXPERIENTIAL



- Tailored concepts
- Outlet lead concepts
- NPD launches
- Retail consumer masterclass & store tastings
- Consumer events / Shows
- Retail Trade shows
- Brand Lead events / Activations

### TRADE ENGAGEMENT



- Provided by 6 Exchange Brand Ambassadors
- Product & operation consultancy
- Give back to trade' days & experiences
- Social media support
- The Great Exchange and Bartender Exchange
- Retailer Brand & Category education - Corporates & Indies

THE EXCHANGE  
Support



- Barfly
- The Perfect Blend
- The Blends of The World

# WINNING IN COFFEE



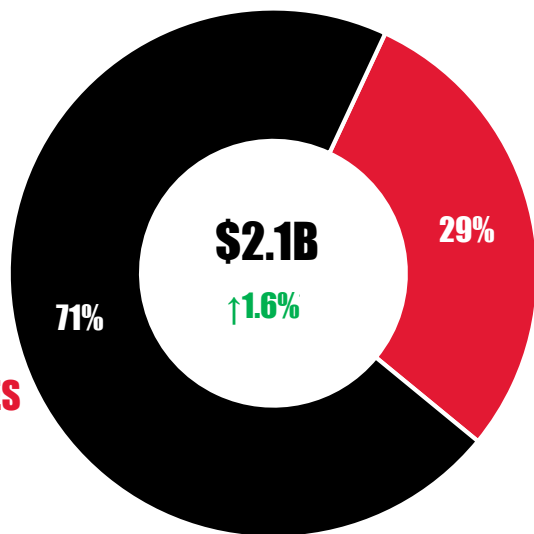


# WHY ARE WE EXCITED BY COFFEE

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## SIZE OF THE MARKET

Coffee roasting in Australia market share<sup>(1)</sup>



**~700 COMPANIES  
WITH AVERAGE  
> \$2M P.A.  
TURNOVER**

**11 BUSINESSES  
CONTRIBUTING  
~\$600M REVENUE**



## HIGH PENETRATION AND RITUALS

Category consumption | Average consumption occasions<sup>(2)</sup>

	Container size most often mentioned	Average consumption in a week
Tap Water	200 ml	51.1
Alcohol	200 ml	12.5
Coffee	350 ml	10.2
Core Sparkling	375 ml	5.6
Tea	350 ml	4.7
Juice & Juice Drinks	200 ml	4.6
Dairy & Soy	200 ml	4.0
Packaged Water	600 ml	1.7
Other Non-Alcoholic	250 ml	1.4
Energy Drinks	250 ml	0.6
Sports Drinks	500 ml	0.3

The average person has 7.3 Tap Water occasions, 1.8 Alcohol occasions, and 1.5 coffee occasions per day, in comparison with 0.8 daily Core Sparkling occasions.

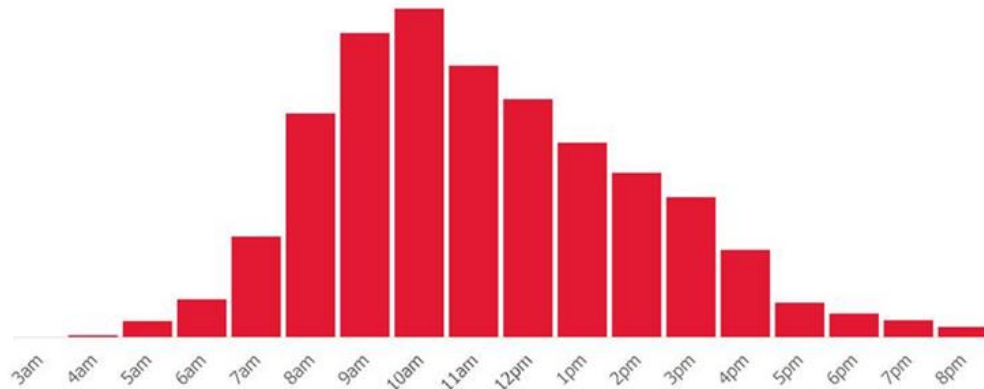


# WHY ARE WE EXCITED BY COFFEE

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## COMPLEMENTARY TIME OF DAY FOCUS

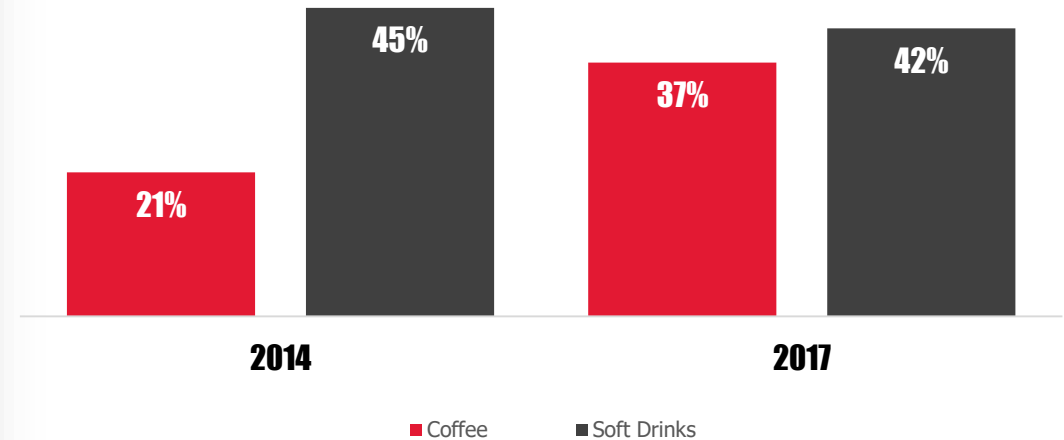
Hot drink sales by hour



The majority of coffee is sold in the morning and little in the afternoon

## PREFERRED DRINK OF MILLENNIALS

Coffee and soft drink incidence amongst 13-18 year olds

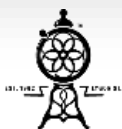


Coffee has become a mainstream beverage of choice for teens

# THE GRINDERS COFFEE BUSINESS HAS A VERY SIMPLE BUSINESS STRATEGY

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## ON THE GO COFFEE



**GRINDERS™**  
COFFEE ROASTERS

Limited & targeted venues to build brand:  
**Melbourne airport**



Proud to sell:  
**RECA**  
**Leveraging Amatil**



## SCALE TO COMPETE

### Beans & equipment supply to:

Catering

Quick service restaurants

Convenience & Petroleum (C&P)

National On Premise



## AT HOME COFFEE

### BEANS

#### Focus on major supermarkets:

Increase distribution of beans & ground coffee



### CAPSULE

#### Caffitaly Partnership:

Drive machine penetration with mass retailers

Secure capsules ranging with strategic partners



available at  
**amazon**



## LEVERAGING COSTA

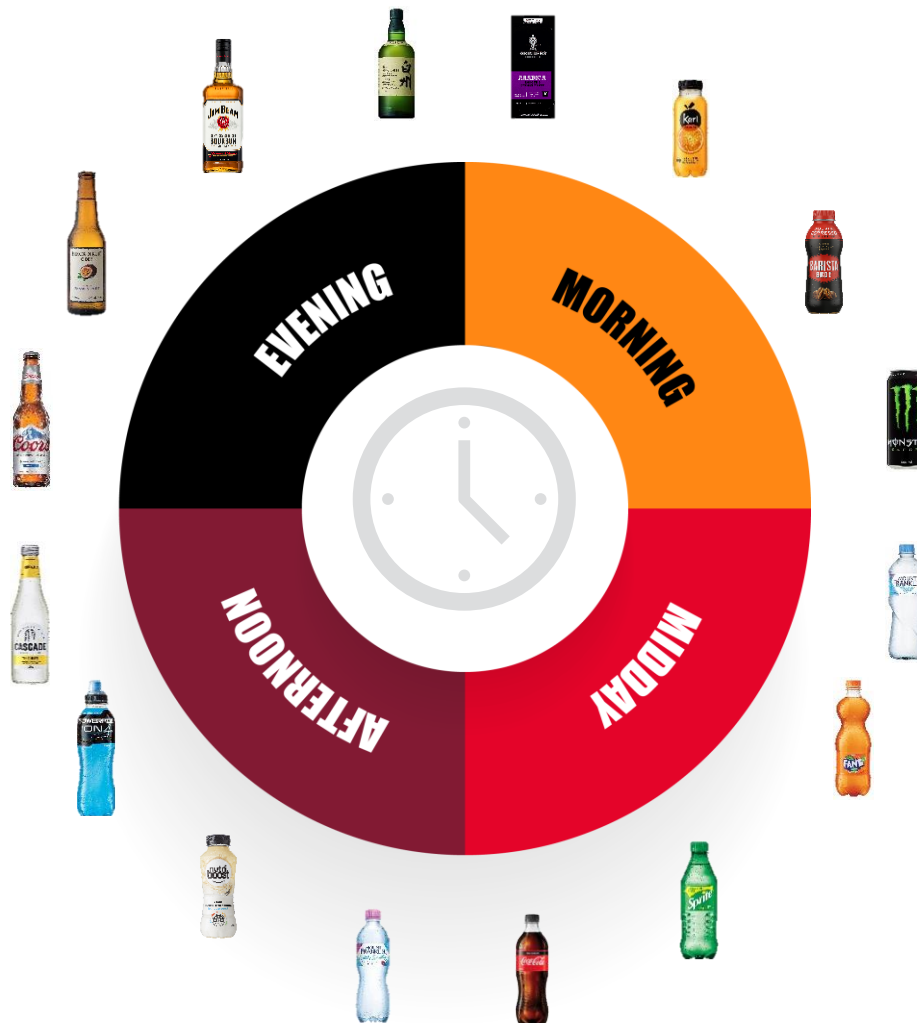


**COSTA COFFEE**



# A BEVERAGE FOR EVERY OCCASION, FOR EVERY DAY PART AND FOR EVERY CUSTOMER

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# AUSTRALIA

## SUMMARY

### Leverage the Multi-Beverage Powerhouse Opportunity

### Continued focus on the Accelerated Australian Growth Plan

- Revenue Growth Management, Precision, Activation, Innovation
- Category and Channel priorities

### Alcohol and Coffee

- Focused growth opportunities



# QUESTIONS AND ANSWERS

**Peter West**  
Managing Director Australia

**Alison Watkins**  
Group Managing Director



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**CCA**  
**COCA-COLA**  
**AMATIL**