

ASX Release

15 February 2021

CCEP INCREASES OFFER PRICE

OVERVIEW

- CCEP increases offer price to Independent Shareholders to \$13.50 cash per share
- Increased offer declared best and final
- Amatil's Related Party Committee and Group Managing Director unanimously recommend the increased offer

On 4 November 2020, Coca-Cola Amatil Limited ('Amatil', or the 'Company') announced that it had entered into a Scheme Implementation Deed ('SID') with Coca-Cola European Partners plc ('CCEP') for the acquisition of all of the issued shares held by independent shareholders of Amatil ('Independent Shareholders') pursuant to a Scheme of Arrangement ('Scheme').

Amatil and CCEP today announce that they have entered into an amendment deed to the SID (attached in **Appendix B**) that provides for an increase from the original total cash consideration to Independent Shareholders of \$12.75 per Amatil Share¹ to \$13.50 cash per Amatil Share ('Revised Scheme Consideration'). Consistent with the original agreement, the Revised Scheme Consideration will be reduced by the cash amount of any final dividend in respect of 2H 2020 declared and paid to Amatil shareholders before the Scheme Record Date² ('Revised Scheme').

CCEP has declared that this is its best and final offer.

The Revised Scheme Consideration implies an equity value on a 100% fully diluted basis of approximately A\$9,828 million and an enterprise value of A\$11,082 million³, and represents:

- a 5.9% increase to the original total cash consideration;
- a 30% premium to the undisturbed 1-week volume weighted average price (VWAP) of Amatil Shares (calculated to close of trading as at 22 October 2020, being the last day of trade for Amatil prior to the first announcement of the CCEP Proposal);

¹ The cash offer price announced on 4 November 2020 was to be reduced by any dividends declared and paid to Amatil shareholders other than dividends declared or paid after 30 June 2021 in line with historic payout ratios.

² The revised cash offer price will be reduced by any dividends declared and paid to Amatil shareholders other than an interim dividend in respect of 1H 2021 declared or determined by Amatil on or after 30 August 2021 and paid before the Scheme Record Date in line with historic payout ratios up to a maximum of 15 cents per Amatil Share.

³ Implied equity value based on 728,006,224 diluted shares on issue comprising 723,999,699 ordinary shares outstanding and 4,006,525 long-term incentive share rights (based on Amatil's Appendix 3G dated 17 June 2020). Enterprise value calculated as implied equity value plus net debt (on a pre-AASB16 basis) of \$963 million and other adjustments (comprising net defined superannuation plan deficit (net of tax), non-controlling interests and investments in associates) of \$291 million as at 31 December 2020 (on an unaudited basis).

- a 36% premium to the undisturbed 1-month VWAP;
- a 46% premium to the undisturbed 3-month VWAP;
- a 35% premium to the undisturbed average broker 12-month price target for Amatil⁴.
- an EV/EBIT multiple of 17.6x to Amatil's underlying CY19 EBIT;⁵
- an EV/EBIT multiple of 20.5x to Amatil's unaudited underlying CY20 EBIT;⁶
- an EV/EBITDA multiple of 12.2x to Amatil's underlying CY19 EBITDA;⁷ and
- an EV/EBITDA multiple of 13.8x to Amatil's unaudited underlying CY20 EBITDA.^{8,9}

In considering their recommendation in relation to the Revised Scheme, the Amatil Related Party Committee (**RPC**) and Group Managing Director have obtained financial and legal advice and considered a range of factors that have changed since the announcement of the original CCEP proposal, including:

- Amatil's latest view on the fundamental value of the business;
- Amatil's trading update released to the market on 22 January 2021 and revised views on the medium and long term earnings and cash flow outlook of the business;
- the latest interest rate environment and outlook;
- shareholder feedback received to date; and
- movements in market indices and share prices of comparable companies.

Amatil's RPC and Group Managing Director, Alison Watkins, unanimously recommend that Independent Shareholders vote in favour of the Revised Scheme in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Revised Scheme is fair and reasonable and in the best interests of Independent Shareholders. The draft Scheme Booklet, including the recommendation of the RPC and Group Managing Director, is expected to be submitted to ASIC in the coming week.

Certain changes have been made to the original SID in connection with the Revised Scheme. A copy of the Amendment Deed to the SID is attached to this announcement.

On 4 November 2020, Amatil also announced that CCEP had entered into a separate agreement to acquire Amatil shares held indirectly by The Coca-Cola Company (**TCCC**). There is no change to that agreement and TCCC will continue to receive the original consideration agreed. CCEP has indicated it has not yet made an election as to the form of consideration to be paid for the Amatil shares held by TCCC but its preference and current expectation is to satisfy that consideration in cash. CCEP has also indicated it will notify Amatil of its election no later than 14 days prior to the scheme meeting.

Amatil Chairman Ms Ilana Atlas said, "The economic outlook for Australia and New Zealand has improved since the announcement of the original CCEP proposal and recent trading validates our strategy and demonstrates our strong recovery. The value of Amatil has increased and we are pleased that CCEP has acknowledged this in increasing its proposed cash consideration to Independent Shareholders. The RPC and the Group Managing Director unanimously consider that

⁴ Twelve broker price targets have been used to determine the 12 month broker price target average. The broker price target range was \$7.60 - \$11.00. The date range of the broker price targets used in determining the average was 20 August 2020 to 21 October 2020. These brokers were selected on the basis of all broker research reports publicly available to Amatil as at 22 October 2020 being the last day prior to the first announcement of the CCEP non-binding indicative proposal on 26 October 2020.

⁵ CY2019A underlying EBIT (pre-AASB 16) of \$629 million.

⁶ CY2020A unaudited underlying EBIT (pre-AASB 16) of \$540 million.

⁷ CY2019A underlying EBITDA (pre-AASB 16) of \$908 million.

⁸ CY2020A underlying unaudited EBITDA (pre-AASB 16) of \$805 million.

⁹ For comparability, calculating the Enterprise Value using the adjustments from Amatil's 4 November 2020 announcement (including net debt (pre-AASB16 basis) of \$1,208 million plus the 1H20 dividend of \$65 million plus other adjustments of \$317 million) increases the CY19 EV / EBIT multiple to 18.2x, CY20 EV / EBIT multiple to 21.2x, CY19 EV / EBITDA multiple to 12.6x and CY20 EV / EBITDA multiple to 14.2x.

the Revised Scheme, including the revised price, is in the best interests of Independent Shareholders".

An updated indicative timetable for the Scheme is outlined in **Appendix A** to this announcement.

For further information:

Media

James Lopez
+61 437 937 100

james.lopez@ccamatil.com

Investor Relations

Helen Karlis
+61 419 593 348

helen@domestiqueconsulting.com.au

Group Company Secretary

Richard Conway
+61 438 751 883

richard.conway@ccamatil.com

Authorised by the Related Party Committee.

ABOUT COCA-COLA AMATIL

Coca-Cola Amatil Limited (including subsidiaries, group entities and related bodies corporate) is one of the largest bottlers and distributors of ready-to-drink non-alcohol and alcohol beverages and coffee in the Asia Pacific region. Coca-Cola Amatil is also the authorised bottler and distributor of The Coca-Cola Company's beverage brands in Australia, New Zealand, Fiji, Indonesia, Papua New Guinea and Samoa. Coca-Cola Amatil directly employs around 12,000 people and indirectly creates thousands more jobs across the supply chain, partnering with key suppliers to bottle, package, sell and distribute its products. With access to around 270 million potential consumers through more than 630,000 active customers Coca-Cola Amatil is committed to leading through innovation, building a sustainable future and delivering long-term value, both to shareholders and to society.

For more information, visit www.ccamatil.com or search for Coca-Cola Amatil on LinkedIn, Facebook or Twitter.

For personal use only

APPENDIX A: CCEP PROPOSED SCHEME OF ARRANGEMENT INDICATIVE TIMETABLE*

On or before 22 February 2021	Draft Scheme Booklet and Independent Expert's Report is submitted to ASIC
Mid March 2021	First Court Hearing
Mid March 2021	Dispatch of Scheme Booklet
Mid April 2021	Amatil Scheme Meeting
Subject to shareholder approval at Amatil Scheme Meeting	
Mid-Late April 2021	Second Court Hearing
Mid-Late April 2021	Effective Date
Late April 2021	Scheme Record Date
Late April / early May 2021	Implementation Date

*These are indicative dates that are subject to change and conditional on regulatory approval.

Execution version

Coca-Cola Amatil Limited

Coca-Cola European Partners plc

CCEP Australia Pty Ltd

Scheme implementation deed - Amendment Deed

For personal use only

Date 15 February 2021

Parties

Coca-Cola Amatil Limited (company number: ACN 004 139 397) of Level 13, 40 Mount Street, North Sydney, NSW 2060 (**Amatil**)

Coca-Cola European Partners plc (company number: 09717350) of Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom (**CCEP**)

CCEP Australia Pty Ltd (company number: ACN 645 548 634) of 8 Chifley, Level 17, 8-12 Chifley Square, Sydney, NSW 2000, Australia (**CCEP Sub**)

This deed witnesses as follows:

Agreed terms

1 Interpretation

In this deed:

Scheme Implementation Deed means the scheme implementation deed between Amatil, CCEP and CCEP Sub dated 4 November 2020.

2 Amendments

(a) On and from the date of this deed, the parties agree that the Scheme Implementation Deed will be amended as follows:

- (i) at the end of clause 5.2(u), delete the full stop and insert “; and”;
- (ii) after clause 5.2(u), insert a new clause 5.2(v) as follows:

“(promote merits of Scheme) in consultation with CCEP Sub:

(1) promote to Amatil Shareholders the merits of the Scheme and encourage Amatil Shareholders to vote on the Scheme in accordance with the recommendation of the Amatil Related Party Committee and Amatil Group Managing Director, including participating in shareholder engagement efforts and meeting with key Amatil shareholders as reasonably requested by CCEP Sub; and

(2) undertake reasonable institutional and retail proxy solicitation actions as reasonably requested by CCEP Sub to encourage Amatil Shareholders to vote in favour of the Scheme (including retaining appropriate proxy solicitation services).”

- (iii) delete clause 5.12(e);
- (iv) in Schedule 2 and in Attachment 2, Schedule 1, in the definition of the term "Scheme Consideration", delete "\$12.75" and insert "\$13.50" in its place;
- (v) delete the contents of Attachment 1 to the Scheme Implementation Deed and replace with the contents of the Schedule to this deed;
- (vi) replace clause 4.3(c) with the following:

"(c) The Scheme Consideration will be reduced by the cash amount of any dividends which are declared or determined by Amatil and paid by Amatil to Amatil Shareholders on or before the Implementation Date (including any Amatil 2H 2020 Dividend, as defined in clause 4.4, to the extent paid before the Implementation Date), but will not be reduced by:

- (1) any Amatil Permitted Dividend other than the Amatil 2H 2020 Dividend; or*
- (2) the value attributed to any franking credits attached to any dividend referred to in clause 4.3(c)(1),*

provided that the cash amount of the dividend that has been paid will be taken to be the cash amount as declared or determined to be paid by Amatil with no reduction or offset for any dividend withholding tax, any withholding on account of non-quotation of an ABN or TFN, or any other withholding or reduction in the amount received by any Amatil Shareholder."

- (vii) replace clause 4.4 with the following:

4.4 Amatil 2H 2020 Dividend and Amatil Permitted Dividend

- (a) *Amatil may (in its absolute discretion) declare and pay a final dividend of any amount per Amatil Share (and which may, at Amatil's election, but subject to this clause 4.4, be partially or fully franked) to Amatil Shareholders in respect of 2H 2020 (Amatil 2H 2020 Dividend) and any other Amatil Permitted Dividend, provided that:*

- (1) *in respect of the Amatil 2H 2020 Dividend:*

- (A) *subject to clause 4.4(a)(1)(B)(i), the payment date for any Amatil 2H 2020 Dividend must be before the expected Scheme Record Date as at the date the Amatil 2H 2020 Dividend is declared (but despite any other provision of this deed, the payment of any Amatil 2H 2020 Dividend must be before the Scheme Record Date); and*

- (B) *the record date for any Amatil 2H 2020 Dividend must be a date that is expected to be after the date of the Scheme Meeting as at the date the Amatil 2H 2020 Dividend is declared, provided that:*

- (i) *if the expected date for the Scheme Meeting is delayed for any reason, Amatil must use its best endeavours to delay the record the date for the Amatil 2H 2020 Dividend until after the revised date for the Scheme Meeting (and in such circumstances Amatil may delay the payment date for any Amatil 2H 2020 Dividend as it deems appropriate provided the payment of any Amatil 2H*

2020 Dividend must be before the Scheme Record Date); and

- (ii) *if Amatil's share registry confirms in writing (evidence of which must be provided to CCEP) that it is unable to process the Amatil 2H 2020 Dividend payments between the Amatil 2H 2020 Dividend record date and the Amatil 2H 2020 Dividend payment date as contemplated by this clause 4.4, Amatil must consult with CCEP and the parties must agree a change to the Timetable to delay one or more events following the Scheme Meeting, to the extent necessary to enable Amatil's share registry to process the Amatil 2H 2020 Dividend payments by the Scheme Record Date. If ASX does not agree to such Timetable change, Amatil and CCEP must agree an amendment to the Timetable to meet ASX's requirements, while enabling the Amatil 2H 2020 Dividend record date to fall after the date of the Scheme Meeting and the Amatil 2H 2020 Dividend payment date to occur before the Scheme Record Date. If ASX does not agree to these further amendments to the Timetable and ASX's requirements do not provide sufficient time for Amatil's share registry to process payments for the Amatil 2H 2020 Dividend payments between the Amatil 2H 2020 Dividend record date and the Amatil 2H 2020 Dividend payment date, then Amatil is not required to delay the record date as contemplated by clause 4.4(a)(1)(B)(i) and, to the minimum extent required to meet the registry's requirements, may bring such date forward, provided that the payment date for the Amatil 2H 2020 Dividend is always before the Scheme Record Date;*
- (2) *Amatil will not declare or announce any Amatil Permitted Dividend without the prior written consent of CCEP where:*
 - (A) *the payment of that dividend would result in or contribute to that account being in deficit at the start of the day that is the Implementation Date; and*
 - (B) *in the reasonable opinion of CCEP the payment of that dividend would give rise to any liability to franking deficit tax that cannot be offset in full against income tax, or otherwise prevent CCEP electing to acquire all the shares in Amatil on or after the Implementation Date without incurring a reduction in the offset;*
- (3) *the Amatil Permitted Dividend is paid in accordance with the Corporations Act; and*
- (4) *CCEP and Amatil must consult in good faith as to the amount and franking of any Amatil Permitted Dividend other than the Amatil 2H*

2020 Dividend prior to the declaration or announcement of such Amatil Permitted Dividend.

- (d) CCEP must provide Amatil with such assistance and information as may reasonably be requested by Amatil for the purposes of obtaining a Class Ruling (and an associated private ruling for Amatil) from the Australian Taxation Office with respect to any Amatil 2H 2020 Dividend. Amatil must provide to CCEP a draft of any Class Ruling (and associated tax ruling for Amatil) and any application or amendment request within a reasonable time before lodgement with the Australian Taxation Office for the purpose of enabling CCEP to review and comment on the draft document and Amatil must take all reasonable comments made by CCEP into account in good faith when producing a revised draft of the application or amendment request to be lodged with the Australian Taxation Office.

(viii) in section 1.1 of Schedule 2, replace the definition of "Amatil Permitted Dividend" with the following:

Amatil Permitted Dividend	<ol style="list-style-type: none"> 1 any Amatil 2H 2020 Dividend; and 2 an interim dividend in respect of 1H 2021 declared or determined by Amatil on or after 30 August 2021 and paid before the Scheme Record Date in line with historic payout ratios up to a maximum of 15 cents per Amatil Share.
----------------------------------	--

- (b) For the avoidance of doubt, unless the context specifically provides otherwise, references in the Scheme Implementation Deed as amended by this deed to "the date of this deed" will be references to the date that the Scheme Implementation Deed was initially executed by the parties, being 4 November 2020.
- (c) The Scheme Implementation Deed as amended by this deed is and continues to be in full force and effect.
- (d) This deed includes any schedule.

3 General

3.1 Governing law

The laws of New South Wales govern this deed.

3.2 Jurisdiction

Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales in respect of any proceedings arising out of or in connection with this deed. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

3.3 Assignment, novation and other dealings

A party may not assign this deed or otherwise transfer the benefit of this deed or a right or remedy under it, without the prior written consent of the other party.

3.4 Counterparts

This deed may be executed in any number of counterparts, each of which, when executed, is an original. Those counterparts together make one instrument.

3.5 Costs, expenses and duties

Except as expressly provided in this deed, each party must pay its own costs and expenses of negotiating, preparing and executing this deed and any other instrument executed under this deed.

3.6 Further assurances

Each party must, at its own expense, do all things reasonably necessary to give full effect to this deed and the matters contemplated by it.

3.7 Entire agreement

Clause 16.10 of the Scheme Implementation Deed applies to this deed as if expressly incorporated in this deed and as if a reference to:

- (a) 'this deed' was to 'this deed and the Scheme Implementation Deed (as amended by this deed) (including the documents in the attachments to either of them)';
- (b) 'this clause 16.10' was to 'this clause 3.7 or clause 16.10 of the Scheme Implementation Deed'; and
- (c) 'clause 6.9' was to 'clause 6.9 of the Scheme Implementation Deed'.

3.8 Definitions

In this deed, a word or phrase defined in the Scheme Implementation Deed has the same meaning as in the Scheme Implementation Deed unless expressly stated otherwise.

3.9 Interpretation

Clause 2.1 of Schedule 2 of the Scheme Implementation Deed applies to this deed as if expressly incorporated in this deed and as if a reference to 'this deed' was to this deed.

Schedule

Indicative Timetable

Event	Date
Signing of amending deed to scheme implementation deed	15 February 2021
Scheme Booklet provided to ASIC in draft	22 February 2021
First Court hearing	mid-March 2021
Scheme Meeting	mid-April 2021
Second Court hearing	mid-late April 2021
Effective Date	mid-late April 2021
Scheme Record Date	late April 2021
Implementation Date	late April-early May 2021

Executed as a deed

Signed sealed and delivered by Coca-)
Cola Amatil Limited by)

DocuSigned by:
Richard Conway
.....
Company secretary/director

Richard Conway
.....
Print name

DocuSigned by:
Iilana Atlas
.....
Director

Iilana Atlas
.....
Print name

For personal use only

For personal use only

Signed sealed and delivered by Coca-Cola European Partners plc in the presence of)
)



.....
Authorised signatory

SOL DAURELLA
.....
Print name

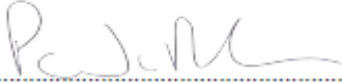


.....
Witness

CLARE WARDLE
.....
Print name

For personal use only

Signed sealed and delivered by CCEP)
Australia Pty Ltd by)



.....
Company secretary/director

.....
PAUL VAN REESCH

Print name



.....
Director

.....
KATHLEEN VEIRMAN

Print name