



# Creation of the Largest African Coca-Cola Bottler

Presented by:

Alan Clark, Chief Executive

Jamie Wilson, Chief Financial Officer

27 November 2014



© SABMiller 2014



## Forward looking statements

This presentation includes forward-looking statements with respect to certain of SABMiller plc's plans, current goals and expectations relating to its future financial condition, performance and results. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's products and services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The past business and financial performance of SABMiller plc is not to be relied on as an indication of its future performance.

# Creation of the largest African Coca-Cola bottler

- The transaction forms the No 1 bottler in Africa and 10<sup>th</sup> largest globally, spanning 12 countries with leading market positions

## SABMiller

- South African soft drinks ABI and Appletiser
- Other African soft drinks businesses in Botswana, Comoros, Ethiopia, Kenya, Mayotte, Swaziland, Uganda and Zambia.

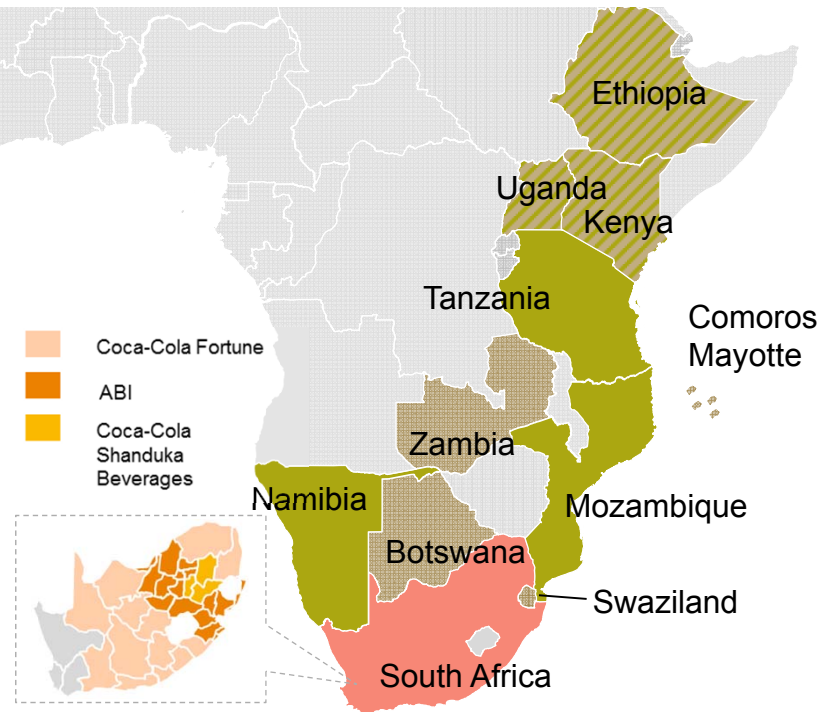
## Gutsche Family Investments (GFI)

- Coca-Cola Sabco (CCS) business being South African operations Coca-Cola Fortune (CCF) and six businesses in Africa

## The Coca-Cola Company

- South African soft drinks businesses Canners, Valpré and Coca-Cola Shanduka Beverages (CCSB)

## Combined African footprint

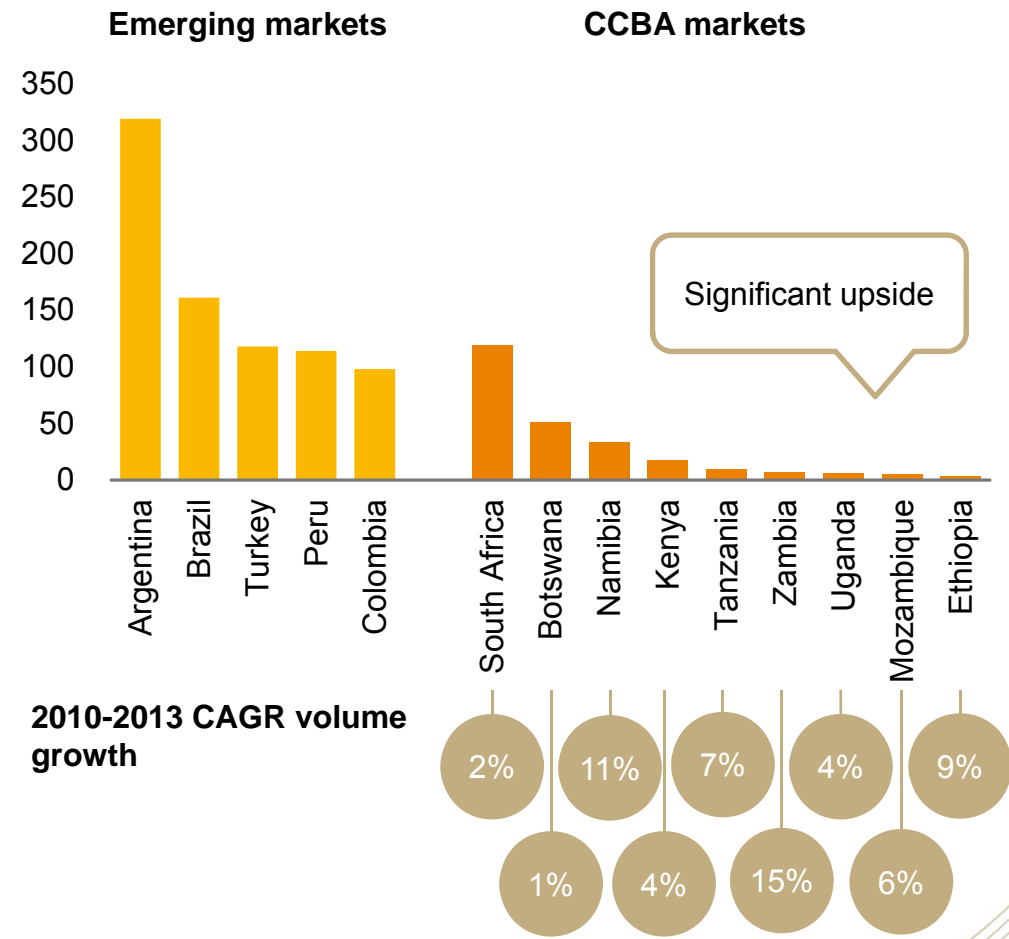


## Strong strategic rationale for SABMiller

- Soft drinks are important to SABMiller strategy
  - Highly attractive growth profile in certain regions for soft drinks, especially Africa
  - Comparable return on invested capital to beer with capacity to increase further
  - Margin upside opportunity through greater and best operating practices
  - Complementary to existing skills and track record in beer and Africa
- CCS's scale and footprint brings an established growth platform
- Strengthens strategic relationship with TCCC
  - Combines highly complementary operational and brand building expertise
  - Joint long term strategy to capture growth supported by investment

### Low African PCC and high growth potential

#### Soft drinks PCC (L per capita)

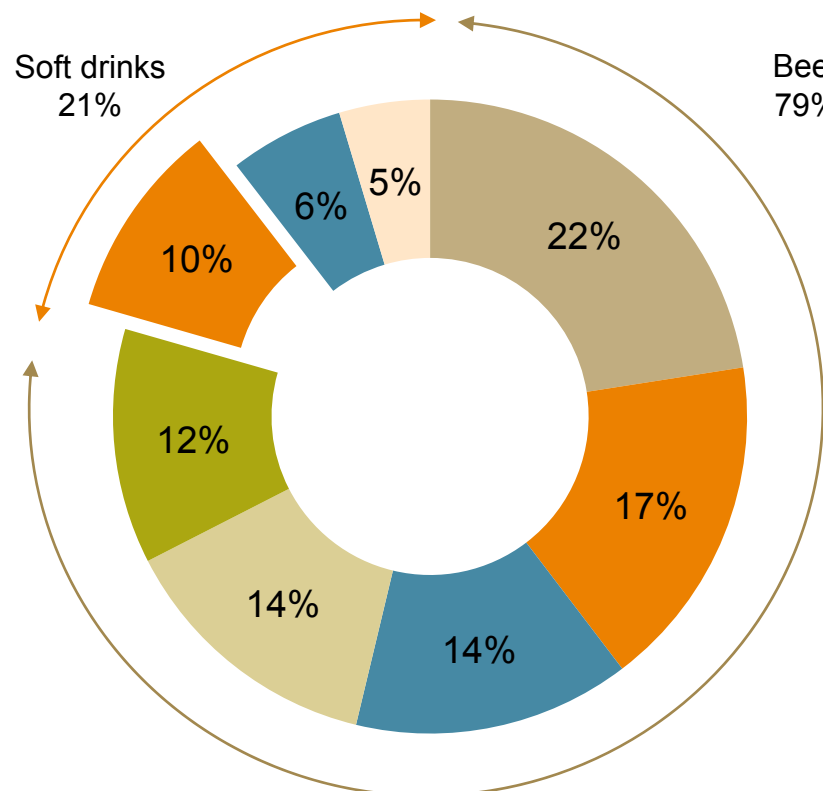


Note: Volume growth for Coca-Cola businesses in African countries  
Source: Canback & Co, Company information

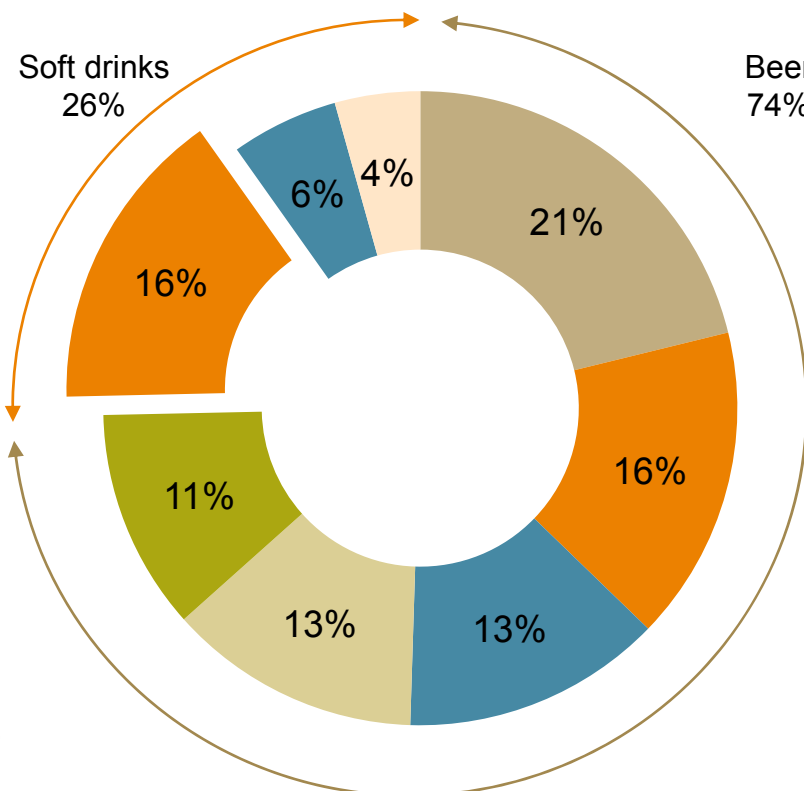
# Shaping our business for long term growth

SABMiller volumes today

SABMiller proforma volumes



Beer  
79%



Beer  
74%

- Asia Pacific
- Africa
- Latin America
- Europe
- North America
- Associates

Note: Based on F14 SABMiller volumes and calendar year 2013 pro forma CCBA volumes, % given post Phase II

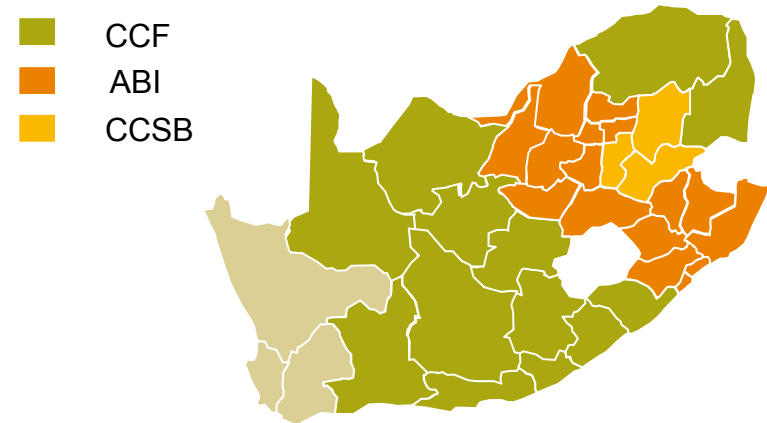


© SABMiller 2014

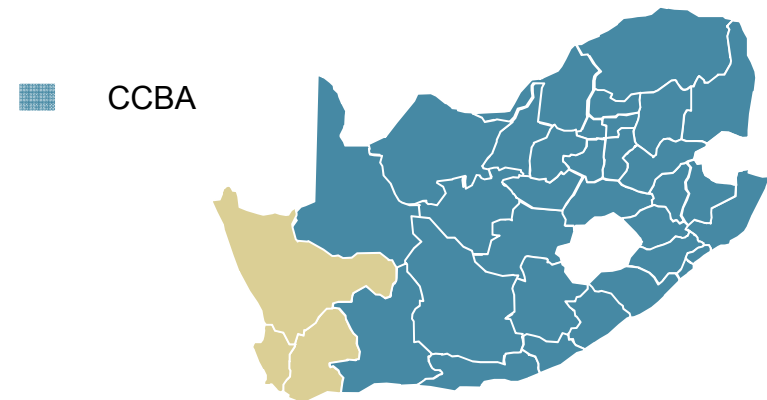
## *Accelerating growth in South Africa through consolidation*

- Coca-Cola Beverages Africa will account for a majority of Coca-Cola's system volumes in South Africa
- Opportunity to accelerate growth in South Africa through:
  - Material increase in scale and efficiencies from consolidation of bottling operations
  - Investment in route to market infrastructure, core brands and stills expansion
  - Enhanced ability to compete more effectively
  - Aligned and focused joint strategy
- Expanded value chain to help improve livelihoods of communities

### The Coca-Cola Company Franchises Today



### The Coca-Cola Company Franchises Post Transaction



# Strong long term growth potential in Africa

## Favourable dynamics

### Annual growth

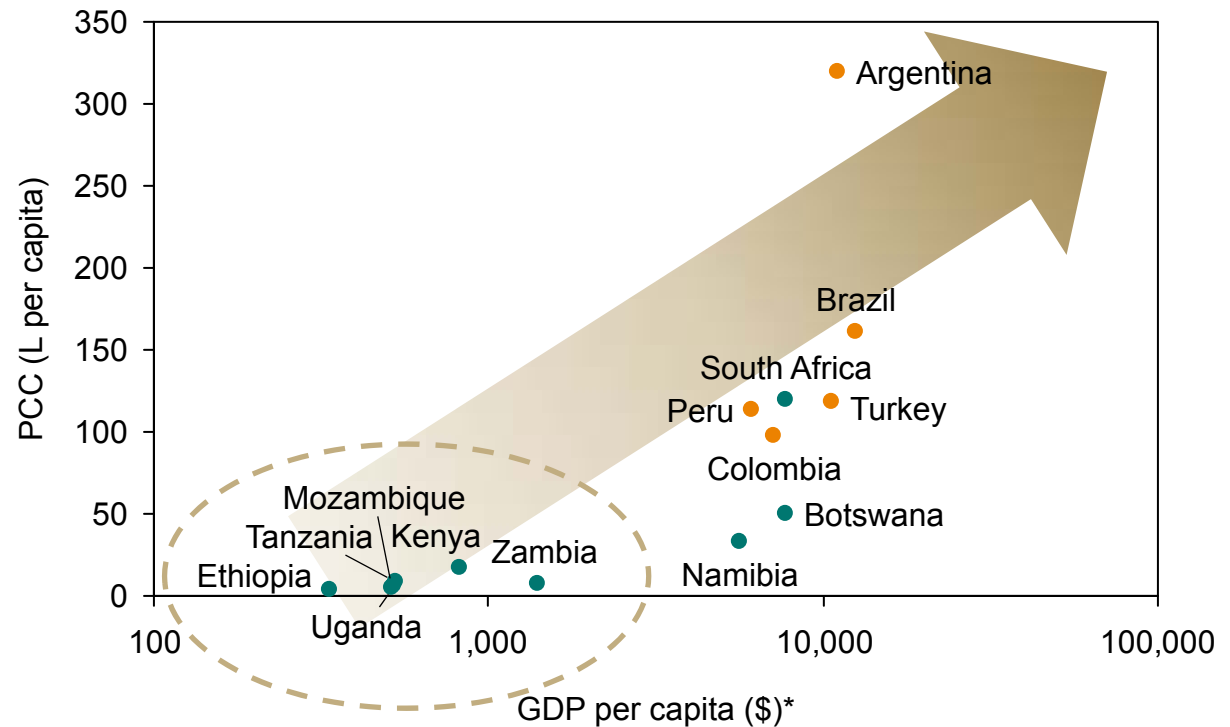
2.6% Population growth

5.4% GDP per capita growth

4.4% Urbanisation

10% New middle class entrants

## Sub-Saharan Africa has significant PCC growth potential



Over 30% of Sub-Saharan population lives in CCBA markets

\*X-axis shown in logarithmic scale to cover the large range of GDP per capita data

Source: Canback & Co, UN



© SABMiller 2014

## *Pro forma financial metrics*

- EPS accretive in year 3 following completion of Phase I
- Cash consideration of approx. US\$260m for brands sold or licenced to The Coca Cola Company
- Material gain in scale
- Margins top of class for soft drinks

	SABMiller contributed businesses	Coca-Cola Beverages Africa
<b>Volume</b> (m UC)	369	729
<b>Volume</b> (m hl)	21.0	41.4
<b>Revenue</b> (USD m)	1,531	2,937
<b>EBITA</b> (USD m)	292	505
<b>Margin</b> (%)	19.1%	17.2%
<b>PBT</b> (USD m)	286	474
<b>Gross assets</b> (USD m)	794	2,262

Note: Pro forma financial figures assume completion of Phase II. Financial figures represent non-IFRS, unaudited management estimates. SABMiller contributed businesses shown on March 2014 financial year end (except for ABI volume, revenue and EBITA which is shown on December 2013 year end); The Coca-Cola Company and GFI contributed businesses shown on December 2013 year end.





## *Governance & next steps*

### Governance & reporting

- Board of Directors: SABMiller 5, GFI 3, The Coca-Cola Company 2; SABMiller has casting vote
- Phil Gutsche to be the first non-executive Chairman for a 3-year term
- SABMiller will consolidate Coca-Cola Beverages Africa
- Separate segmental reporting in SABMiller financial statements

### Regulatory & shareholder approvals

- SA Competition Authorities
- Regulatory approvals in a number of African countries
- Shareholder approvals in Botswana, Swaziland and Zambia

### Completion timeline

- Subject to regulatory approvals:
- Phase I of the transaction expected to close within 6-9 months
- Phase II expected to close within 12-18 months after Phase I

# Q&A



© SABMiller 2014