

EXECUTIVE SUMMARY

Coca- cola Amatil Ltd (ASX: CCL) is valued at a target price of \$7.91/ share, hence, it should be sold away as it is lower than the current share price of \$10.65/ share. Valuation is done by using DCF method and multiple analysis. CCL operates across food, beverages and tobacco industries with carbonated drinks as the major composition of its sales products. It operates in 5 countries, namely Australia, Indonesia, Papa New Guinea, New Zealand and Fiji. It operates with a strategy to expand Australia's F&B market by finding new entry in order to improve return. CCL is having cash flow problems in financing its debts while its investment in Indonesia is weakened by the lower priced local competitors there. It has trouble differentiating its brand in bottled water industry. Health trends in Australia are shifting away from carbonated drinks while government and NGO health initiatives accelerate the demand shift. A decline in CCL employees' benefits and a contraction of its labour market are observed which indicate that the company's productivity is regressing.