Cola-cola Amatil generates $77M from property optimization

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The transactions are:

- Purchase by Kiwi Property of a substantial area of warehouse land in Carbine Road, Auckland;
- Sale and leaseback of Amatil's principal bottling site in Kewdale, Western Australia, with Charter Hall; and
- Sale to AnglicareSA of a site in Light Terrace, Adelaide, adjacent to (but not including) the main bottling facility in Port Road.

The individual transactions were flagged at the company's 2018 Investor Day. Proceeds from the sales would offset one-off costs of approximately $50 million in 2018 to support restructuring programs, primarily in the Australian Beverages business.

Since 2017, Amatil's Property Division has taken a group-wide approach to asset management of owned and leased properties, leading to the sale of sites and facilities that were surplus to requirements, as well as the 2017 record-breaking sale and leaseback of the company's flagship Richlands site in Queensland, in which over $160m is being invested.

General Manager of Group Property, Matt Toohey said the transactions demonstrated Amatil's ongoing commitment to operational improvement and optimisation, focused on property utilisation, releasing value and boosting capital efficiency.

“We have enormous strengths in manufacturing, commercial and warehousing property, and we're keen to maximise its use,” Mr Toohey said.

“Our recent strategic review of properties identified opportunities to improve utilisation of space and extract additional value through sales or sale and leaseback arrangements where appropriate.

“We continue to consider and implement the review outcomes. These three transactions have delivered solid commercial outcomes and some excellent opportunities for our partners.

Amatil’s Group Property Division has also commenced a rollout of a new Property Management System to provide increased controls and insights across the portfolio; commenced a review of the property footprint to develop long term plans for all manufacturing sites; and overhauled Facilities Management processes.