

## **EXECUTIVE\_SUMMARY**

Coca-Cola (Australia) Ltd is currently valued at \$7.91 per share, below its current market price of \$10.65 per share. Based on this valuation using the discounted cash flow (DCF) method and multiple analyses, it is recommended to sell the stock.

The company operates in the food, beverages, and tobacco industries, with a focus on carbonated drinks. Its operations span across five countries: Australia, Indonesia, Papua New Guinea, New Zealand, and Fiji. To enhance returns, Coca-Cola is pursuing a strategy to expand its presence in Australia's food and beverage market by seeking new market entries.

Coca-Cola is facing challenges in managing its cash flow to finance its debts. Additionally, its investments in Indonesia are being affected by strong competition from local competitors offering lower prices. The company is also struggling to differentiate its brand in the bottled water segment.

In Australia, there is a noticeable shift in consumer preferences away from carbonated drinks, driven by government and NGO health initiatives. This trend is impacting Coca-Cola's sales. Furthermore, there are signs of a contraction in the labor market and a reduction in employee benefits, indicating a potential decline in the company's productivity.