

# **Britvic plc (“Britvic”)**

## **Q1 Trading Statement to 24 December 2017**

### **“Solid start to the year, confident of making further progress in 2018”**

All numbers quoted are on a constant currency basis and before adjusting items, unless otherwise stated. All numbers reflect the adoption of IFRS15 “Revenue from Contracts with Customers”, with prior year restated to enable an accurate comparison of performance.

Britvic today reports first quarter revenue of £337.2m, an increase of 3.3% on the prior year. Organic revenue, which excludes the Bela Ischia acquisition, increased 0.7%.

#### **Simon Litherland, Chief Executive, commented:**

“We have delivered a solid start to the new financial year, with group revenue growing 3.3% ahead of a strong first quarter last year. As we said at our preliminary results, the introduction of a soft drinks industry levy in the UK and Ireland brings a level of uncertainty, but we are well placed to navigate this given the strength and breadth of our brand portfolio and exciting marketing and innovation plans. In addition, our continued focus on revenue and cost management and the delivery of the final phase of our business capability programme means we remain confident of making further progress in 2018.”

#### **Quarter One Headlines**

**GB** revenue increased 1.0% as **GB carbonates** continued to outperform the market. Carbonates revenue increased 4.9%, driven by the continued success of Pepsi MAX in a very competitive market. **GB stills** revenue declined 6.6% with a volume decline of 4.4%. In the second quarter, we are launching the more premium Robinsons “Fruit Creations” and “Cordials” ranges into grocery, supported by a multichannel advertising campaign. With Palmer and Harvey entering administration, we have absorbed a number of one-off costs. However, we do not anticipate any longer-term impact with our customer base now being supplied by other wholesalers.

**France** revenue declined 5.0% in a subdued market, and lapping a strong comparative last year when revenue increased 6.3%. A decline in syrups was partly offset by growth in the Pressade juice brand.

**Ireland** revenue increased 16.5%, benefiting from the acquisition of East Coast in the second quarter last year, which has improved our presence in the growing on-trade channel. Owned-brand revenue also increased, due to positive price/mix, led by the stills portfolio.

**International** revenue declined 8.1%, compared to a 19.8% increase in quarter one last year which followed the launch of the Fruit Shoot multipack in the United States.

**Brazil** revenue increased 22.6%, benefiting from the acquisition of Bela Ischia in the second quarter last year. Organic revenue declined 6.5%, reflecting the continuation of the challenging consumer environment.

**Business Capability Programme:** The collective consultation on the proposed closure of our Norwich factory has ended and the site will close in 2019. Every effort will be made to support affected employees to find new roles or alternative employment. The final phase of the business capability programme will result in the creation of c.80 new roles at our Rugby site, with the introduction of new lines and warehousing. It is anticipated that we will incur approximately £35m-£40m of one-off costs this year, primarily in relation to the business capability programme and the closure of Norwich, with a proportion of the cash impact realised in 2019. We are now in the final phase of transforming our supply chain, which will deliver significant cost and commercial benefits.

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## **Cautionary note regarding forward-looking statements**

This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

## **Quarter One (“Q1”) reporting period**

Britvic GB, Ireland and Britvic International’s first-quarter period runs from 2 October to 24 December 2017. Britvic France, Britvic Brazil and Counterpoint cover the period from 1 October to 31 December 2017. Please note that Britvic Ireland’s volume and ARP exclude the sale of third-party factored brands through Counterpoint.

## **Market data**

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 23 December 2017. French market data is supplied by IRI and runs to 7 January 2017.

## **Next scheduled announcement**

Britvic will release its interim results on 23 May 2018.

## **Notes to editors**

### **About Britvic**

Britvic is one of the leading branded soft drinks businesses in Europe. The company combines its own leading brand portfolio including Robinsons, Tango, J2O, Fruit Shoot, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Lipton Ice Tea which Britvic produces and sells in GB and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain (“GB”) and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, in France with brands such as Teisseire and Pressade and in Brazil with Maguary and Dafruta. Britvic is growing its reach into other territories through franchising, export and licensing. Britvic’s management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scale brands. Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index.

## Britvic revenue, volume and Average Realised Price (ARP)

Quarter 1	Actual	% Change on last year	
		Actual Exchange Rate	Constant Exchange Rate
<b><u>Revenue £m</u></b>			
GB Carbonates	132.8	4.9%	4.9%
GB Stills	61.2	-6.6%	-6.6%
GB Total	194.0	1.0%	1.0%
International	7.9	-7.1%	-8.1%
Ireland	42.3	18.5%	16.5%
France	57.2	-3.2%	-5.0%
Brazil	35.8	18.9%	22.6%
<b>TOTAL GROUP</b>	<b>337.2</b>	<b>3.6%</b>	<b>3.3%</b>
<b>ORGANIC (EXCLUDING BELA ISCHIA)</b>	<b>328.7</b>	<b>1.0%</b>	<b>0.7%</b>
<b><u>ARP PPL</u></b>			
GB Carbonates	43.3p	5.4%	5.4%
GB Stills	78.4p	-2.2%	-2.2%
GB Total	50.4p	2.2%	2.2%
International	105.3p	10.3%	9.0%
Ireland	53.3p	5.1%	3.5%
France	95.5p	4.4%	2.5%
Brazil	61.1p	-3.3%	-0.3%
<b>TOTAL GROUP</b>	<b>57.3p</b>	<b>2.1%</b>	<b>1.8%</b>
<b>ORGANIC (EXCLUDING BELA ISCHIA)</b>	<b>57.2p</b>	<b>2.0%</b>	<b>1.6%</b>
<b><u>Volume m Litres</u></b>			
GB Carbonates	306.9	-0.5%	-0.5%
GB Stills	78.1	-4.4%	-4.4%
GB Total	385.0	-1.3%	-1.3%
International	7.5	-15.7%	-15.7%
Ireland	53.7	0.2%	0.2%
France	59.9	-7.3%	-7.3%
Brazil	58.6	23.1%	23.1%
<b>TOTAL GROUP</b>	<b>564.7</b>	<b>0.0%</b>	<b>0.0%</b>
<b>ORGANIC (EXCLUDING BELA ISCHIA)</b>	<b>550.3</b>	<b>-2.6%</b>	<b>-2.6%</b>