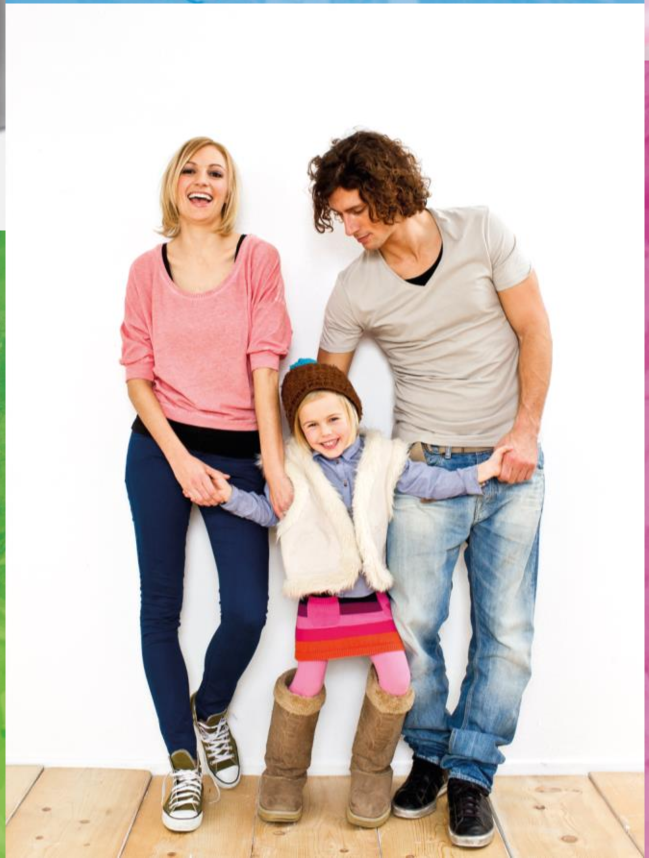
Britvic plc Preliminary Results 2017



CEO – SIMON LITHERLAND

DELIVERING ON OUR STRATEGIC PRIORITIES AND VISION

2017 – ANOTHER YEAR OF STRONG PROGRESS

- STRONG REVENUE AND PROFIT GROWTH
- TWO ACQUISITIONS COMPLETED AND INTEGRATED
- INCREASING CONTRIBUTION FROM INNOVATION
- IN-YEAR BENEFITS OF BUSINESS CAPABILITY PROGRAMME AHEAD OF GUIDANCE
- CONTINUED ORGANIC MARGIN GROWTH THROUGH REVENUE AND COST MANAGEMENT
- 41% OF REVENUE GENERATED OUTSIDE OF GB

DELIVERING IN THE SHORT-TERM : INVESTING FOR LONG-TERM GROWTH

GROWING REVENUE ACROSS OUR CORE MARKETS

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

- Successful revenue management to mitigate cost inflation
- Pepsi MAX continued to gain share in a competitive category
- Launch of R Whites premium range generating strong growth
- Stills volume growth, adverse price/mix

- Successfully delivered pricing growth to offset cost inflation in juice
- Owned-brands continued to grow ahead of private label
- Strong growth for Pressade and Fruit Shoot

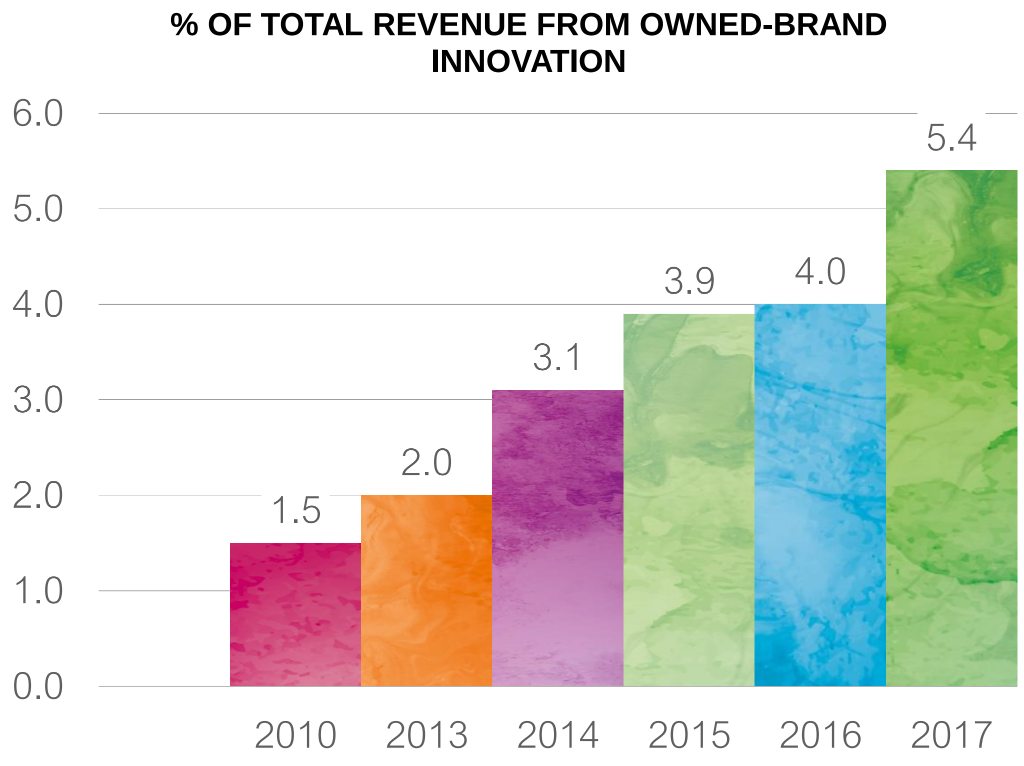
- Strong growth in water and low/no sugar brands
- Successful integration of East Coast into Counterpoint
- Deflationary price pressure remained in a competitive grocery sector

BRITVIC

INVESTMENT IN INNOVATION IS DELIVERING GROWTH

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

- **Since 2013 we have invested in our innovation capability to realise category & channel growth opportunities through:**
  - Making our portfolio more premium and more healthy
  - Extending our core brands to access new occasions and consumers
  - Bringing new brands to market to access new or emerging categories
- Targeting margin accretion
- Vast majority below the soft drinks industry levy



Innovation – Launch year + 3 years, only owned-brand innovation measured on total group revenue

INNOVATION DELIVERING GROWTH ACROSS KIDS, FAMILY & ADULT CATEGORIES

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

REVENUE +17%	REVENUE +40%	REVENUE +32%	£4M RETAIL SALES VALUE SINCE LAUNCH	REVENUE +13%	REVENUE +29%

REVENUE IS BRITVIC CONSTANT CURRENCY. RETAIL SALES IS SOURCED FROM NIELSEN / IRI

BRAZIL – SUCCESSFULLY NAVIGATING CURRENT CHALLENGING CONDITIONS

REALISE GLOBAL OPPORTUNITIES

- Gained volume and value share in tough market conditions
- Successfully grown margin through revenue and cost management
- Invested in long-term growth drivers
  - Brands - marketing & insight capability
  - Reach - commercial resource to expand channel presence
- Acquisition of Bela Ischia
  - Strong platform for future growth, expanded presence in Rio de Janeiro
  - Will exceed acquisition synergies of R$10m
- Innovation
  - Started to extend Fruit Shoot into new regions
  - New Tea & Coconut water ranges launched

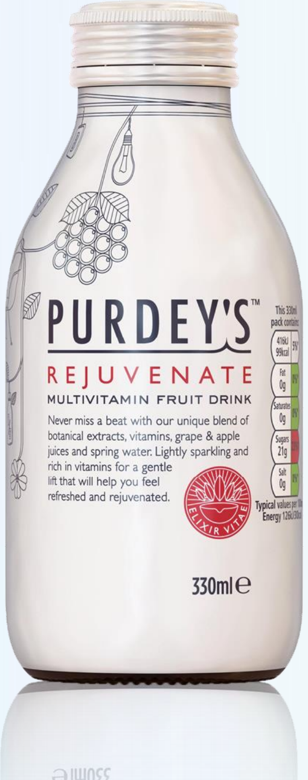
BRITVIC

STEADY PROGRESS FOR FRUIT SHOOT IN THE USA

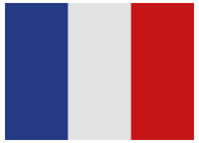
REALISE GLOBAL OPPORTUNITIES

- Grown revenue and improved profitability
- Increased market value share for singles in Convenience & Gas
  - #2 brand overall, achieving #1 in more states
- Dollar General chiller listing from Q1 2018, 2 variants in >8,000 outlets
- Multi-pack has increased distribution, reaching 37% ACV
- Positive retailer feedback, all major listings retained and expanding on-shelf presence
- Ongoing supply chain efficiency programme to improve profitability

CFO – MAT DUNN
A STRONG FINANCIAL PERFORMANCE



CATEGORY REMAINED RESILIENT IN 2017, WEATHER ADVERSELY IMPACTED Q4

					
FY	Market Volume	+0.8%	+4.2%	(1.3)%	(11.9)%
	Market Value	+2.0%	+5.5%	+0.1%	(5.7)%
Q4	Market Volume	(5.5)%	+2.6%	(8.2)%	(6.8)%
	Market Value	(3.0)%	+3.6%	(6.5)%	(3.9)%

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GB take-home market data is supplied by Nielsen and runs to 30 September 2017. ROI take-home market data is supplied by Nielsen and runs to 8 October 2017. French market data is supplied by IRI and runs to 17 September 2017. Brazil market data is supplied by Nielsen and runs to 26 September 2017

A STRONG FINANCIAL PERFORMANCE

Metric		Reported %	Organic* %
Revenue	£1,540.8m	+7.7%	+2.5%
Adjusted EBITA	£195.5m	+5.1%	+5.6%
Adjusted EBITA Margin	12.7%	(30)bps	30bps
Adjusted EPS	52.9p	+7.3%	
DPS	26.5p	+8.2%	
Adjusted Net Debt/EBITDA	2.0x	(0.2)x	

Numbers are at actual exchange rate. Adjusted EBITA is defined as operating profit before adjusting items. Only amortisation attributable to intangibles on acquisition is added back, in the period this is £10.7m (2016: £7.4m AER). Adjusted earnings per share adds back the amortisation attributable to intangibles on acquisition. The share base is the weighted average number of ordinary shares in issue during the period, excluding shares held by Britvic to satisfy employee share-based incentive programmes.

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* Organic adjusts for the impact of Bela Ischia, additional week in 2016 and constant currency

BUSINESS UNIT PERFORMANCE

	GB Carbs	GB Stills	Total GB
Volume	+1.4%	+0.5%	+1.2%
ARP per litre	+2.3%	(5.3)%	(0.4)%
Revenue	+3.7%	(4.7)%	+0.9%
Brand contribution	+0.8%	(5.6)%	(1.5)%
Brand margin %	(120)bps	(40)bps	(100)bps

CARBS

- Growth led by Pepsi MAX and R Whites
- Price realisation from new promotional price points
- Margins impacted by cost pressures and upweighted A&P investment

STILLS

- Volume growth for first year since 2010
- Pricing environment remains deflationary
- Poor August weather hurt consumption particularly in family occasions

All numbers quoted are on an organic constant currency basis

Note: 2016 numbers are 52 weeks to enable accurate comparison

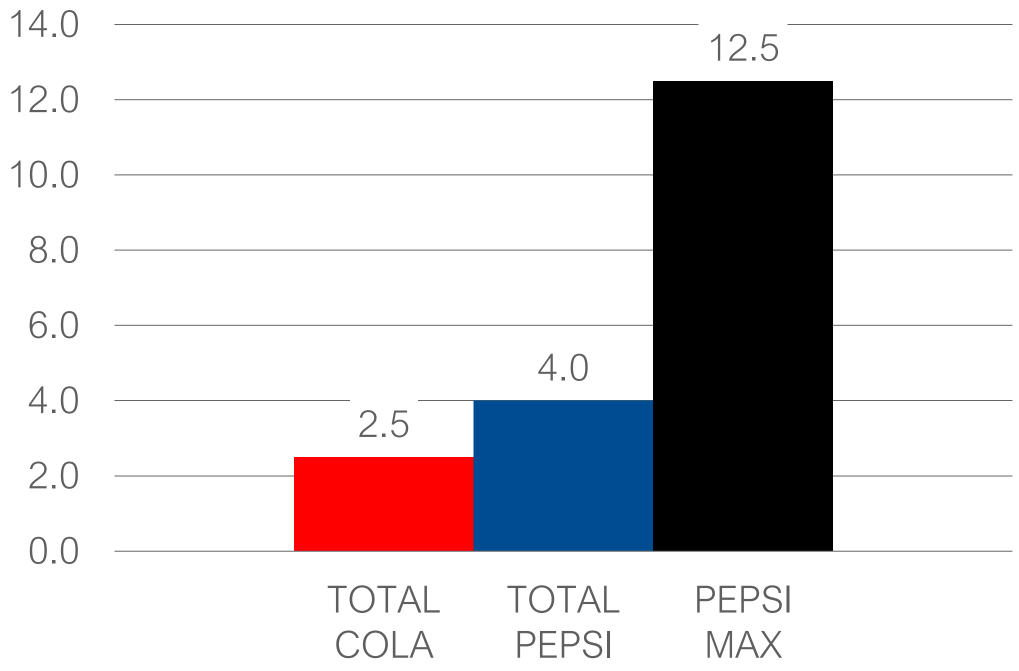
BRITVIC

PEPSI CONTINUED TO OUTPERFORM THE CATEGORY AND GAIN SHARE

The Pepsi MAX success story

- Continued to gained significant share, benefiting from long-term consumer move towards low/no sugar
- #1 “black cola”
- The preferred no sugar cola in taste tests
- Added new flavours to broaden appeal
- Consistent marketing focus since 2005
- Value share from 17% in 2005 to 28% in 2017

RETAIL SALES VALUE % YOY – TAKE HOME



Nielsen Take-Home to 30 Sep 2017

IMPROVING PERFORMANCE FOR GB STILLS

ROBINSONS

- Marginal decline in core range volume
- Deflationary environment
- Extended consumption beyond “at-home” packs
- Brand health measures continued to improve

J20

- New promotional price framework implemented
- Volume declined with reduction of in-store F&D
- New pack formats to support improved activation

FRUIT SHOOT

- Fruit Shoot in volume growth
- Hydro variant up strongly
- Competitive category resulting in price deflation
- Brand health measures have improved

BUSINESS UNIT PERFORMANCE

	France	Ireland
Volume	0.4%	3.3%
ARP per litre	2.7%	0.2%
Revenue	3.0%	14.1%
Brand contribution	(0.6)%	8.4%
Brand margin %	(110)bps	(180)bps

All numbers quoted are on a constant currency basis

Note: 2016 numbers are 52 weeks to enable accurate comparison

FRANCE

- Brands growing ahead of private label
- Strong growth for Pressade and Fruit Shoot
- Margin impacted by brand mix and limited price realisation

IRELAND

- Owned-brand growth led by low/no sugar stills portfolio
- Counterpoint wholesale benefiting from expanded range
- Benefit from East Coast, acquired March 2017

BUSINESS UNIT PERFORMANCE

	Brazil	International
Volume	(14.2)%	(1.0%)
ARP per litre	14.1%	6.1%
Revenue	(2.2)%	5.1%
Brand contribution	7.5%	81.6%
Brand margin %	190bps	1,310bps

All numbers quoted are on an organic constant currency basis

Note: 2016 numbers are 52 weeks to enable accurate comparison

BRAZIL

- Volumes impacted by prevailing macro-economic environment
- Margin growth reflecting price realisation and cost management

INTERNATIONAL

- Double digit revenue growth in USA
- Significant improvement in Benelux profitability
- Continuing to invest for long-term growth

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UNRELENTING FOCUS ON COST EFFICIENCY

	FY17	% Organic Constant Exchange Rate
Total A&P spend	67.8	5.0
A&P % revenue	*4.5%*	*(30)bps*
Non-brand A&P	10.1	17.2
Fixed Supply Chain	105.1	(3.0)
Selling Costs	132.4	0.5
Overheads & Other Costs	127.2	1.3
Total fixed cost base	374.8	0.3

Decrease / (increase) in costs

All numbers quoted exclude adjusting items

Note: 2016 numbers are 52 weeks to enable accurate comparison

- Further A&P investment in H2 as planned
- Reduction in non-working marketing spend delivered benefits
- Supply chain depreciation increased as a result of BCP investment
- Overheads benefited from cost reduction activities and foreign-exchange hedging benefits

CONTINUED ORGANIC MARGIN EXPANSION

BUSINESS CAPABILITY PROGRAMME

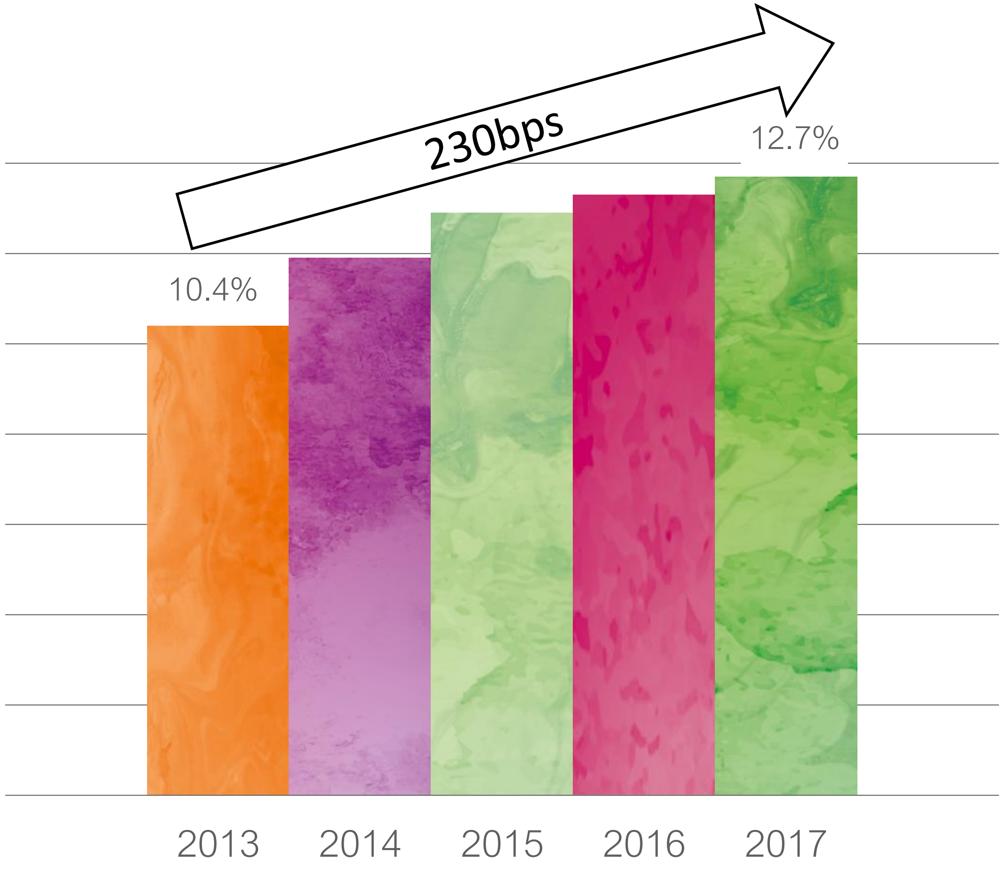
SG&A EFFICIENCY

REVENUE MANAGEMENT

PRODUCT INNOVATION

BRAND AND CHANNEL MIX

INTERNATIONAL PROFITABILITY



IMPROVING FREE CASH FLOW UNDERPINNING BALANCE SHEET STRENGTH

- **FCF GENERATION OF £54.5M**
- **INVESTMENT IN LONG-TERM GROWTH DRIVERS**
- **PROPERTY DISPOSALS COMPLETED DELIVERING IN EXCESS OF £17M**
- **NET DEBT LEVERAGE AT LOWER END OF GUIDANCE**
- **IMPROVING FREE CASHFLOW FROM 2019**
- **STABLE LONG-TERM FUNDING PLATFORM**

A SOLID FINANCIAL PLATFORM UNDERPINNING THE STRATEGY

PROFITABLE GROWTH

STRONG UNDERLYING FCF CONVERSION

A progressive dividend policy	Invest in business capability	Selective M&A in core categories	Maintain long-term debt leverage within 1.5x to 2.5x range

DELIVERING SUPERIOR SHAREHOLDER RETURNS

ACCOUNTING FOR SOFT DRINKS LEVIES AND IFRS15

THE LEVY

- Levy will apply from April 2018 in GB & Ireland
- Paid to HMRC quarterly in arrears in the UK
- Net revenue will increase to reflect levy charged on to customers
- Cost of goods will increase to reflect levy paid
- As a result:
  - ARP will increase, COGS will increase
  - Brand margin % and EBITA margin % will be lower

IFRS 15

- IFRS15 – revenue from contracts with customers is being adopted
- The primary impact for Britvic on implementing IFRS15 will be a restatement of revenue, brand contribution and fixed costs with nil impact on profit
- We will restate 2017 financials under the new framework to improve transparency in 2018
- A full restatement of business units and group financials will available on www.britvic.com in a few weeks

TECHNICAL GUIDANCE

- ANTICIPATE LOW SINGLE DIGIT INPUT INFLATION
- FY18 PROPOSED CAPEX £140M TO £150M
- YEAR-END DEBT LEVERAGE 2.1X TO 2.3X
- EFFECTIVE TAX RATE 22.5% TO 23.5%
- INTEREST CHARGE MARGINALLY HIGHER THAN F17

BRITVIC

CEO - SIMON LITHERLAND
CLEAR PRIORITIES FOR 2018

OUR STRATEGY REMAINS AS APPROPRIATE TODAY AS IN 2013

- **GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS**
- **REALISE GLOBAL OPPORTUNITIES**
- **CONTINUE TO STEP-CHANGE OUR BUSINESS CAPABILITY**
- **BUILD TRUST AND RESPECT**

OUR STRATEGY HAS CONSISTENTLY DELIVERED PROFITABLE GROWTH

REVENUE	CAGR	+3.9%
ADJUSTED EBITA	CAGR	+9.1%
REVENUE OUTSIDE GB	41%	+700bps
ADJUSTED EBITA MARGIN	12.7%	+230bps
ADJUSTED EARNINGS PER SHARE	CAGR	+10.7%
DIVIDEND PER SHARE	CAGR	+9.5%

All figures since 2013

BRITVIC

2018 WILL CONTINUE THE PEPSI MAX SUCCESS STORY

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

1993

- In 2017 Total Pepsi Max RSV reached £280m, +12.5% YoY
- Pepsi share 28%, of which 17% is Max

2013

- Cherry is the #1 no sugar flavoured cola variant
- Cherry RSV increased 20% to £53m in 2017

2017

- Ginger has generated £6m RSV since launch in 2017
- 52% of sales incremental to the category

2018

- Major football and taste of summer marketing campaigns
- BCP will enable a range of new pack formats

BRITVIC

CONTINUING THE REINVIGORATION OF THE ROBINSONS BRAND

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

2015

- Everyday range reformulated in 2015
- Added sugar variant withdrawn
- Squash'd launched to target usage on the go

2017

- Refresh'd launched as a ready to drink offer
- Differentiated, all natural product
- Dispense roll out to unlock on-trade

2018

- More premium range targeting older families
- Twice the fruit of "everyday" squash
- Unique blended flavours

2018

- Premium range targeting adults
- Naturally sweetened with botanicals
- Sculpted glass bottle

BRITVIC

FRUIT SHOOT EVOLVING TO TARGET WIDER RANGE OF OCCASIONS

GENERATE PROFITABLE GROWTH IN OUR CORE MARKETS

2017

2018

- Relaunched Hydro
- Flavoured water variant
- Intended for older children

- Core variant reformulated to reduce sweetness and add vitamins
- First global campaign launched – 'It's My Thing'

- New schools compliant Juiced variant
- All natural formulation with 50% Juice / 50% water
- Lower sugar than rival brands

INVESTING TO GROW OUR INTERNATIONAL FOOTPRINT

REALISE GLOBAL OPPORTUNITIES

BRAZIL

- Major innovation programme to grow category and expand portfolio
- Realising group procurement opportunities
- Using Bela Ischia integration to extend regional and route to market footprint

USA

- Working with Pepsi to grow singles beyond C&G channel
- Expanding multipack range, focusing on driving consistently high standard in-store execution
- New senior specialist in multi-channel and commercial activation

BENELUX

- Growing margins through disciplined revenue management
- Investing to grow existing Teisseire and Fruit Shoot footprint
- Testing group brands as innovation in new markets

BRITVIC

WELL PLACED TO NAVIGATE SOFT DRINKS INDUSTRY LEVIES IN THE UK AND IRELAND

BUILD TRUST AND RESPECT

- PROACTIVE, INDUSTRY LEADING HEALTH POSITION SINCE 2013
- BROAD PORTFOLIO OFFERING CHOICE, WEIGHTED TO LOW SUGAR
- CLEAR COMMERCIAL PLAN FOR 2018

- 72% OF GB AND 69% OF IRELAND PORTFOLIO EXEMPT/UNDER LEVIES

BRITVIC

BCP ON-TRACK TO DELIVER SUSTAINABLE LONG-TERM BENEFITS

CONTINUE TO STEP-CHANGE OUR BUSINESS CAPABILITY

	2016 to 2017	2018	2019
Group	Flattened management structure		
Ireland	Outsourced distribution warehousing		
London	New large PET line & warehousing		
Leeds	New large PET line	New small PET line & warehouse automation	
Rugby	New can lines (3)	New aseptic line and new high bay warehouse groundworks	Warehouse completion and proposed PET lines (3)

BRITVIC

ON COMPLETION THE GB SUPPLY CHAIN INVESTMENT WILL STEP-CHANGE OUR CAPABILITY

CONTINUE TO STEP-CHANGE OUR BUSINESS CAPABILITY

CAPACITY

Medium term can & pet capacity

Lower capital required to introduce new formats

FLEXIBILITY

Broader range of pack sizes

EFFICIENCY

Faster lines

Produce closer to demand

ENVIRONMENTAL

Fewer road miles

Lower power and water usage

COST

Lower production & distribution cost

BRITVIC

SUMMARY

- ANOTHER STRONG PERFORMANCE IN 2017
- WELL POSITIONED TO NAVIGATE HEADWINDS
- INVESTING IN INNOVATION AND INTERNATIONALISATION
- BCP WILL DELIVER SIGNIFICANT BENEFITS
- CONFIDENT OF LONG TERM MARGIN GROWTH
- EXPECTING CONTINUED PROGRESS IN 2018

QUESTIONS

APPENDIX

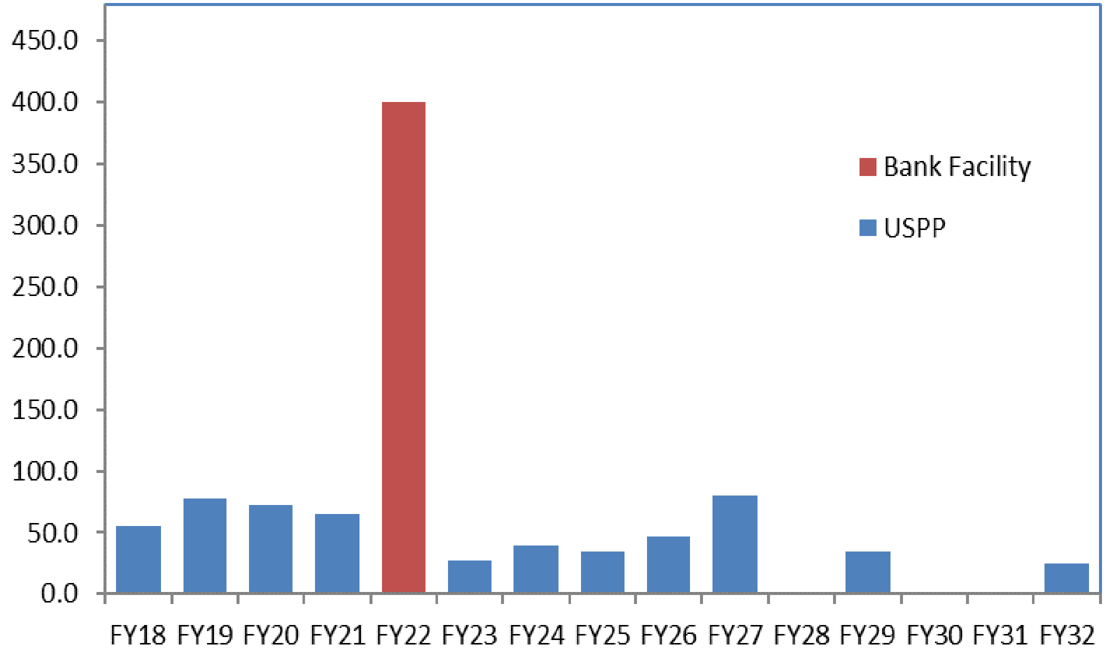
CASH FLOW

	2017 £m	2016 £m
Adjusted EBITA	**195.5**	**186.1**
Depreciation	40.3	33.2
Amortisation (non-acq related)	8.3	8.9
Adjusted loss on disposal of PPE	2.0	1.9
Adjusted EBITDA	**246.1**	**230.1**
Adjusted working capital	26.0	(25.8)
Capital spend	(146.7)	(121.9)
Pension contributions	(22.1)	(25.9)
Interest and finance costs	(19.5)	(20.5)
Adjusted income tax paid	(31.7)	(34.2)
Share based payments	6.3	6.6
Issue of shares	0.7	4.8
Purchase of own shares	(5.3)	(2.1)
Other	0.7	(0.2)
Adjusted free cash flow	**54.5**	**10.9**

A SOLID FINANCIAL PLATFORM UNDERPINNING THE STRATEGY

- Additional £175m private placement funding issued in H1
- Maturing 2025 to 2032, Fixed and floating rate
- Replacing £120m notes maturing early 2017
- Average coupon c.2.5%

- £400m revolving credit facility extended to November 2021
- Circa £958m total debt facilities maturing December 2017 to February 2032
- Circa £55m maturing in FY18



BRITVIC

ADR PROGRAMME

- ADRs give access to cross-border market liquidity
- Cost effective and convenient to own

- Quoted in U$D
- Dividends paid in U$D

- Symbol - BTVCY
- CUSIP - 111190104
- Ratio - 1ADR = 2 ORD

- Underlying SEDOL : BON8QD5
- Underlying ISIN : GB00B0N8QD54
- Depositary : BNY MELLON