



Britvic plc Interims 2022

17 May 2022



Interim results presentation



Strategic and operational review

Simon Litherland, Chief Executive Officer

STRONG MOMENTUM CONTINUES IN H1



Financial review

Joanne Wilson, Chief Financial Officer

STRONG PERFORMANCE, POSITIVE TRAJECTORY ACROSS KEY FINANCIAL METRICS



Looking ahead

Simon Litherland, Chief Executive Officer

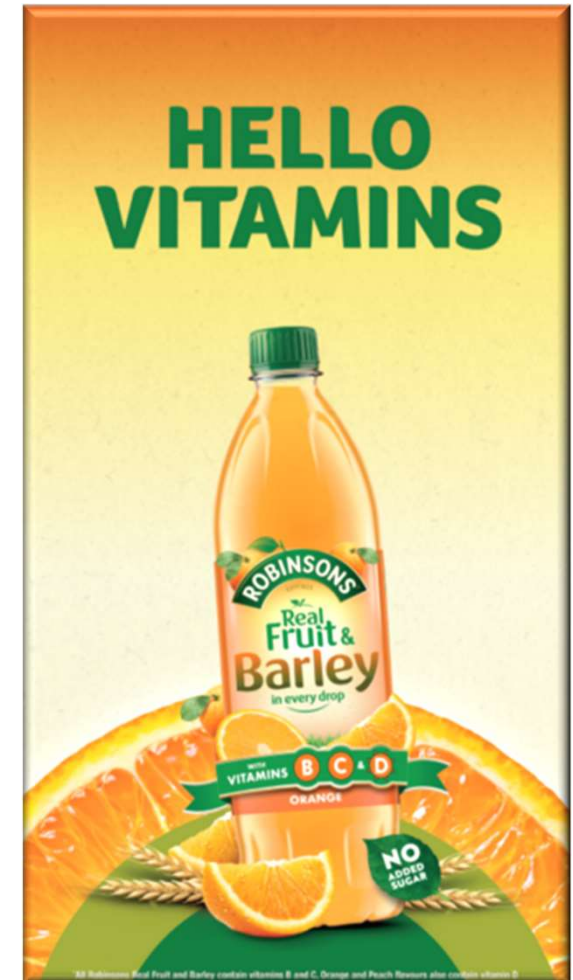
CLEAR PRIORITIES FOR H2, WELL-POSITIONED FOR THE FUTURE

FOLLOWED BY Q&A

H1 Highlights – strong momentum continues in H1

- Accelerated growth with momentum across our brands and markets
- Key performance metrics ahead of last year and 2020*
- Successfully executed pricing action to mitigate inflationary pressures
- Resilient and well-invested supply chain, highly-engaged and capable team
- Smart investing to win tomorrow, as well as today
- Continued progress towards Healthier People, Healthier Planet goals
- Strong underlying cash management and reduction in leverage
- Initial £75m share buyback programme in the next 12 months

* Adjusted for constant currency, disposal of France assets and closure of Ireland wholesale business Counterpoint



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Continued momentum across key metrics

People, Planet, Performance

UNDERLYING REVENUE

+18.5%
£719.3m

ADJUSTED EBIT

+20.7%
£73.5m

ADJUSTED EBIT MARGIN

+20bps
10.2%

ADJUSTED EPS

+27.8%
19.4p

DIVIDEND PER SHARE

+20.0%
7.8p

EMPLOYEE ENGAGEMENT
c. 80% (top quartile)

HEALTHIER CONSUMERS
<30 calories serve

PLANET
Scope 1&2 carbon
reduction at 30%
rPET (GB & Ire) 36%

* Adjusted for constant currency and closure of Ireland wholesale business Counterpoint



GB: Strong growth in H1, led by Out-of-Home channel recovery

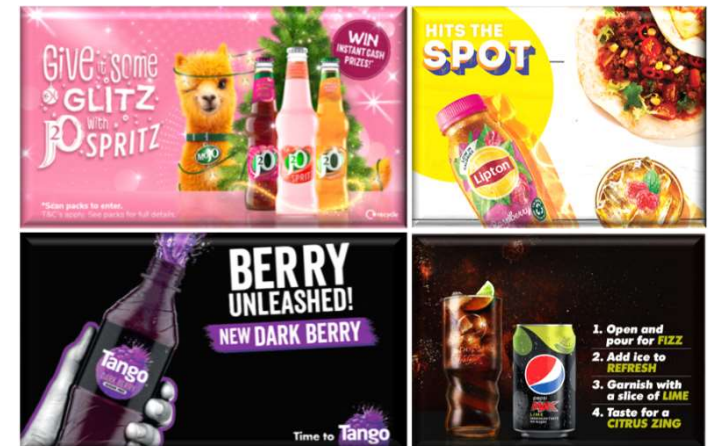
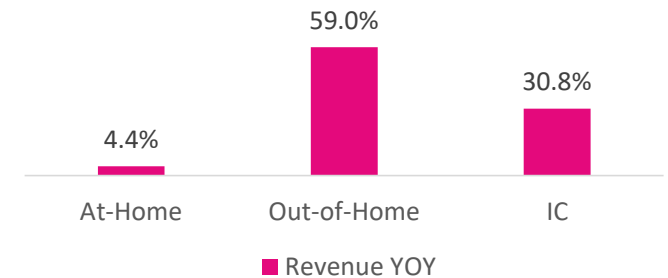
GROWING FASTER AS MARKET REBOUNDS

- Total GB revenue significantly ahead of 2021 (+19.3%) and 2020 (+13.6%)
- At-Home, Out-of-Home and Immediate Consumption all in revenue growth
- Licensed trade recovery continues as expected
- Growth accelerated in Q2, revenue +21.8%
 - Q2 last year impacted by lockdown restrictions

CORE BRANDS HAVE MOMENTUM

- Pepsi, Tango, 7UP, R. White's, J2O, Lipton and Fruit Shoot all in double-digit growth
- Significant pricing action taken to mitigate impact of cost inflation
- Commercial wins:
 - Retail customer distribution gains
 - Soft drinks partner for The O2 arena London, the world's #1 venue

Britvic GB internal revenue





GB: Strong growth in H1, led by Out-of-Home channel recovery

INNOVATING TO ACCESS NEW GROWTH SPACES

- Plenish
 - Investing behind brand to highlight premium, natural credentials
 - Growing share and new distribution in grocery and foodservice
- Aqua Libra Co
 - Developed and launched tap with flavoured water options
 - Building customer pipeline across workplace and retail
- London Essence
 - GB revenue +216%
 - New flavours, new listings

CONTINUING TO INVEST TO WIN TOMORROW

- New can line operational at Rugby – adding c.150m litres of capacity
- Decarbonisation and water stewardship supply chain investments
- Kantar commercial system implemented to optimise return on customer investment and simplify ways of working
- In-house digital marketing studio launched to deliver relevant real-time brand content





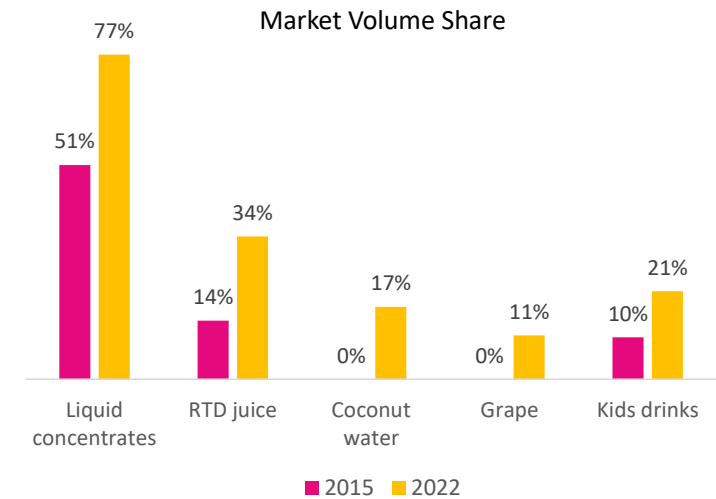
Brazil: Continued to build scale through core and innovation

CONTINUED MOMENTUM, WITH 15.3% REVENUE GROWTH

- Focused on building scale to deliver sustainable long-term growth to subsequently unlock operational leverage
- Growing share in core categories and scaling innovation
- Pricing action taken to partly mitigate continued inflation
- Underpinned by great in-store execution

INVESTING TO WIN TOMORROW

- New leased manufacturing facility to drive vertical integration
- Building a portfolio of premium, higher margin brands to broaden channel presence and access growth opportunities
- Third biomass boiler installed as part of decarbonisation strategy



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Other international: Positive trajectory across all markets in H1

IRELAND, REVENUE +23.0%

- Strong recovery, led by licensed and IC as restrictions lifted
- At-Home channel revenue in double-digit growth
- All core brands growing, margin accretive innovation launched
- Pricing action taken to mitigate impact of cost inflation
- Water ratio and carbon improvements in Kylemore through removal of returnable bottles

FRANCE, REVENUE +11.8%

- All brands in revenue and share growth
- Pricing action partially delivered, impacted by challenging retailer environment
- New co-packing partnership for Mathieu Teisseire to support growth ambitions





Other international: Positive trajectory across all markets in H1

LONDON ESSENCE

- Revenue +100%
- New quality distributors secured in Italy, Belgium and Australia
- Expanded range of tonics and sodas to support premium mixer position

MATHIEU TEISSEIRE

- Revenue +94%
 - Expanded capability with new studio, trade events and brand ambassadors
 - New distributors for the Middle East, Italy, Belgium and Germany
 - New listings including – Tim Horton's, Highlands Coffee (Vietnam), Annam Group (Vietnam, Laos, Cambodia and Myanmar)
-
- Secured first international listing with Marriott hotels for both brands





Financial Performance

Joanne Wilson

STRONG PERFORMANCE AND
POSITIVE TRAJECTORY ACROSS
ALL FINANCIAL METRICS

Positive trajectory across all key financial metrics

| Metric | Reported | Vs H1-21 |
|--------------------------|----------|----------|
| Revenue | £719.3m | +18.5% |
| Adjusted EBIT | £73.5m | +20.7% |
| Adjusted EBIT margin | 10.2% | +20bps |
| Adjusted EPS | 19.4p | +27.8% |
| Dividend per share | 7.8p | +20.0% |
| Free Cash Flow | £2.0m | +£0.1m |
| Adjusted Net Debt/EBITDA | 2.2x | 0.6x |

H1 revenue

Vs 2020 +13.6%

Vs 2019 + 16.0%

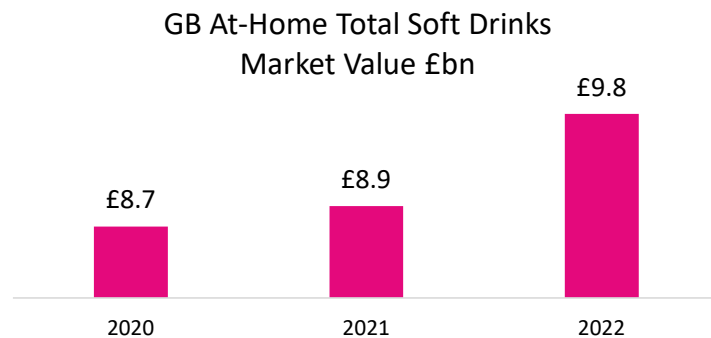


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At-Home growth continues, Out-of-Home recovering as expected

GB MARKET DYNAMICS

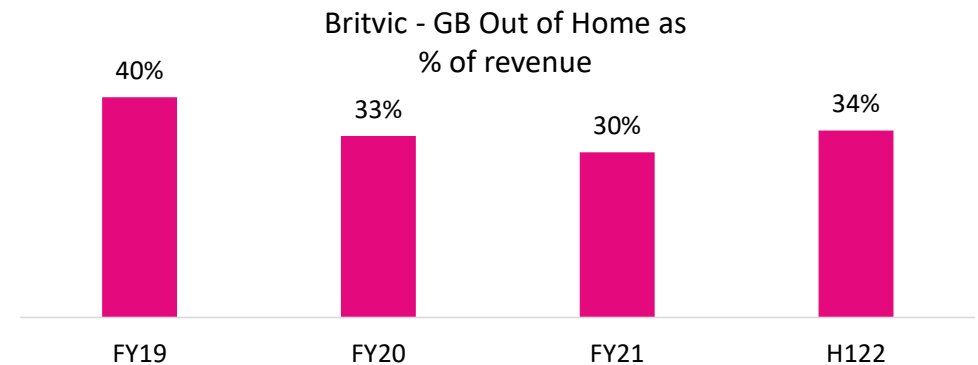
- GB At-Home market value +£1.1bn since 2020
- Omicron temporarily interrupted the recovery across Out-of-Home channels
- Managed pub trade reporting revenue close to pre-COVID levels in recent weeks



Source: Nielsen total AH MAT value to 26 March 2022

BRITVIC CHANNEL MIX

- GB Out-of-Home revenue continued to recover as restrictions lifted
- Immediate Consumption now back to pre-COVID levels
- At-Home revenue higher than pre-COVID and is a bigger part of our mix



Source: Britvic internal data



Business Unit highlights

| | GB | BRAZIL | INT'L | GROUP |
|-------------------------|----------|----------|----------|----------|
| Volume | +10.8% | +5.9% | +14.5% | +10.7% |
| ARP per litre | +7.8% | +8.9% | +2.6% | +7.2% |
| Revenue | +19.3% | +15.3% | +17.4% | +18.5% |
| Brand contribution (BC) | +13.6% | (19.3)% | +8.4% | +10.8% |
| Brand margin (BM) | (190)bps | (620)bps | (240)bps | (240)bps |



GREAT BRITAIN

- ARP growth primarily from channel & pack mix and pricing action
- Brand Contribution growth and margin impacted by time lag of pricing action to offset inflationary pressure
- A&P rebuild continued, 70bps impact on BM%

BRAZIL

- Volume growth led by RTDs and kids portfolio
- Brand Contribution decline primarily due to inflationary pressures
- 2-year inflation in excess of 20% impacting margin rate
- Partly mitigating through procurement, cost efficiencies and pricing

OTHER INTERNATIONAL

- France brands all delivering revenue growth
- France margin impacted by high inflation, price increases from 1 March
- Ireland revenue growth across all channels & brands
- Ireland margin improvement due to mix and benefit of pricing action
- Other channels in double-digit growth

Cost base

| | H1 2022 | % Constant Exchange Rate |
|---------------------------|---------|--------------------------|
| Total A&P spend | £25.7m | +£6.1m |
| A&P as a % of revenue | 3.6 % | 40bps |
| Non-brand A&P | £5.2m | 20.9% |
| Fixed supply chain | £64.2m | 3.7% |
| Selling costs | £37.9m | 6.5% |
| Overheads and other costs | £64.3m | 9.7% |
| Total fixed cost base | £171.6m | 6.9% |

A&P

- H1 spend and % of revenue ahead of both 2021 and 2020

Fixed cost base

- Fixed supply chain costs increase driven by utilities inflation
- Selling costs increase due to investment in capability and incremental costs following the acquisition of Plenish
- Overheads & other costs driven by investment in capability and adverse YOY movements in f/x hedging costs



Continuing to mitigate inflationary headwinds

REVENUE GROWTH MANAGEMENT CAPABILITY

- Delivered our pricing plans in GB, Brazil and Ireland
- Despite a more challenging environment in France, RGM helping to mitigate inflationary pressure
- Optimising price-pack architecture and promo plans

SMART PROCUREMENT

- High level of cover for FY22 and building cover into FY23
- Increasing use of financial hedges to mitigate commodity risk
- Enhanced capability focused on sourcing strategy, reformulations and value-engineering

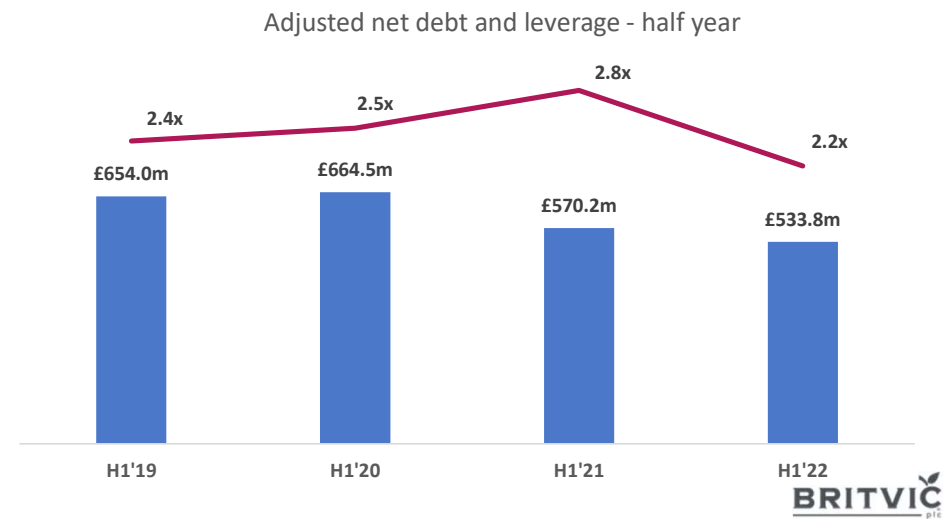
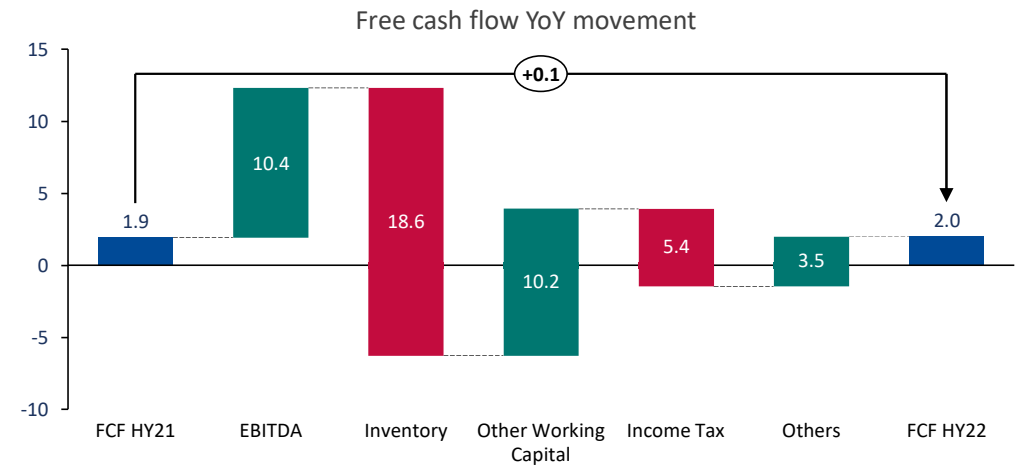
PRODUCTIVITY INITIATIVES & DISCIPLINED COST MANAGEMENT

- 4th can line operational; additional capacity to drive operating leverage and reduce co-pack costs
- High-returning projects delivered – SAP Ariba, Kantar
- Continued discipline around discretionary costs



Sustained strong cash generation

- Disciplined cash management, resulting in positive FCF
 - H1 increase in working capital ahead of key summer trading and raw material contingency stock
 - Underlying working capital improvements continue with average DSO reducing
- Debt pay down of £36m YOY
 - Net debt on downward trajectory at 2.2x, H1 debt leverage lowest since 2016
- Anticipate debt leverage to continue to fall due to strong free cash flow and improving EBITDA



Clear Capital Allocation Policy

DIVIDENDS

Progressive dividend policy
50% pay out ratio

M&A

Value-adding M&A

**STRONG
UNDERLYING
FREE CASHFLOW**

CAPEX

Investment in growth and capability
5.0% to 5.5% of revenue

NET DEBT

Maintain long-term debt leverage
1.5x to 2.5x range

INITIAL £75M SHARE BUYBACK IN THE NEXT 12 MONTHS ANNOUNCED MAY 2022

Adjusting items

| Adjusting items | H1 2022 £m |
|--|--------------|
| Implementation of SaaS accounting guidance | (3.2) |
| Strategic M&A activity | 1.2 |
| Acquisition related amortisation | (4.3) |
| Other | (0.1) |
| Total included in operating profit | (6.4) |



- Implementation costs of software as a service (SaaS) assets expensed as incurred following change in accounting policy
- Strategic M&A activity credit in relation to remeasurement and utilisation of provisions
- Acquisition related amortisation of intangibles recognised on the acquisitions in Ireland, France, Brazil, Plenish and Aqua Libra Co

Modelling considerations & technical guidance

MODELLING CONSIDERATIONS

- Continued inflationary pressure in H2, high single digit inflation for FY
- Benefit of price realisation in H2
- Focused investment behind growth drivers to optimise returns

TECHNICAL GUIDANCE

- **Tax rate**
 - FY22 – 20.5% to 21.5% ETR
 - FY23 UK rate +600bps (April 2023)
- **Interest range** - £17m to £18m
- **Pension** - £5m cash contribution
- **Capital spend** - £80m to £90m
- **Adjusting items** - £15m to £16m, including SaaS restatement



Looking Ahead

Simon Litherland

CLEAR PRIORITIES FOR H2, WELL-POSITIONED FOR THE FUTURE



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Our growth strategy

CONFIDENT IT WILL CONTINUE TO DRIVE SUSTAINABLE GROWTH

STRATEGIC PRIORITIES

Build local favourites & global premium brands

Flavour billions of water occasions

Healthier People
| Healthier Planet

Access new growth spaces

MARKET FOCUS



Lead market growth



Accelerate and expand



Globalise premium brands & improve profitability in Western Europe

CRITICAL ENABLERS

Generate fuel for growth through efficiency

Transform organisational capability & culture

Selective M&A to accelerate growth

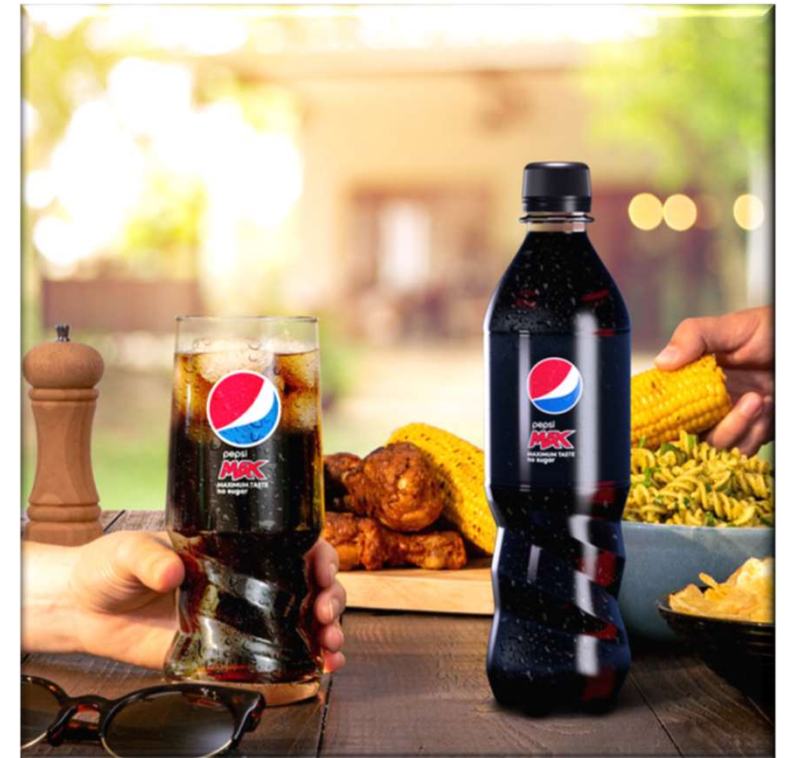
Clear and compelling priorities for H2

MAINTAIN OUR IN-MARKET MOMENTUM

- Activating highly-relevant marketing programmes
- Realising pricing benefits to mitigate inflation
- Expanding our core brands through extension and innovation
- Developing our presence in new growth spaces

CONTINUE TO BUILD FOR OUR FUTURE

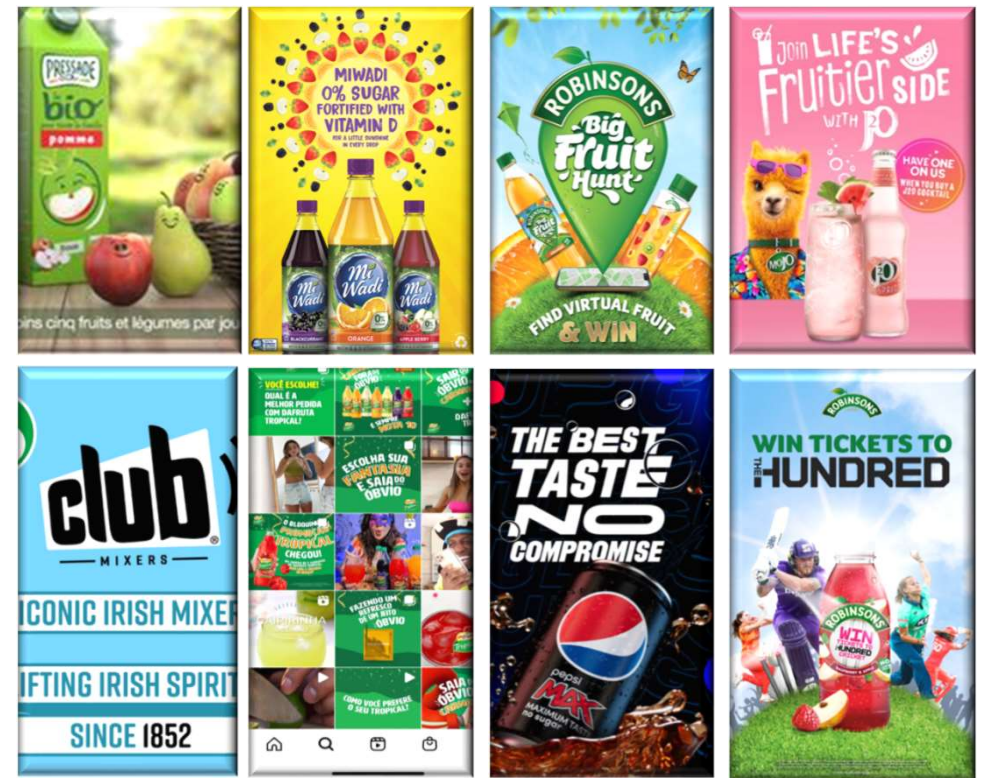
- Investing behind our brands
- Embedding sustainable business practices everywhere
- Building business capability – technology, supply chain & people



Activating highly-relevant marketing programmes

CAMPAIGNS ACROSS ALL MARKETS, including:

- The launch of a new summer campaign for Robinsons 'Big Fruit Hunt'
- Robinsons RTD sponsorship of cricket's HUNDRED
- Pepsi MAX taste test challenge and Live Nation music festival campaign
- J20 'Life's Fruitier Side' in both AH and OOH channels
- Maguary Tropical digital campaign
- MiWadi added vitamins awareness
- Club TikTok campaign
- Pressade TV sponsorship



Expanding our core brands through extension and innovation

CORE BRAND EXTENSIONS

- Ballygowan Hint of Fruit
- Rockstar HFSS compliant, re-engaging consumers campaign
- Club energy launch of 'Loaded'
- Energise Energy cans – two flavours



FLAVOUR INNOVATION

- Tango Berry Peachy
- Aqua Libra Blood Orange & Mango
- Britvic Raspberry tonic
- London Essence Grapefruit soda



NEW PACK FORMATS

- Puro Coco IC 180ml
- 7UP free Cherry IC 500ml PET
- Purdey's MP can for AH channel



Developing our presence in new growth spaces

FLAVOURING BILLIONS OF WATER OCCASIONS

- Robinsons Fruit & Barley with added vitamins
- Robinsons Benefit Drops range
- Launching Teisseire for soda machine, initially in Belgium
- Aqua Libra Co flavour tap, leveraging our flavour concentrates expertise



PLANT-BASED PLENISH

- Leveraging wider Britvic to expand distribution
- 'Less Is Moreish' campaign online and in store to highlight premium & quality credentials
- Ravneet Gill as brand ambassador



Healthier People, Healthier Planet

Embedding sustainable business practices – creating a better tomorrow

HEALTHIER PEOPLE KEY FOCUS AREAS

- Healthier consumer choices: keep calories very low (<30 per serve) and add health supplements eg. vitamins
- Engage and empower our employees – maintain top quartile global employee engagement
- Promote employee wellbeing and community support

KEY H2 PROGRAMMES

- Robinsons: Benefit Drops & added vitamins
- Heartbeat survey - real-time analysis of employee engagement
- Mental health first aiders across workforce & supply chain



HEALTHIER PLANET KEY FOCUS AREAS

- Decarbonise our business following the most stringent SBTi 1.5 target
- Reimagine packaging and minimise plastic waste
- Enhance water stewardship through reducing our supply chain water ratio and promoting conservation projects

KEY H2 PROGRAMMES

- Global carbon engineering consultancy agreement
- Working with INEOS to step-change PET recycling lifecycle
- Partnership with Xampla to protect vitamins in clear bottles



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Building Business Capability

TECHNOLOGY, DATA & ANALYTICS

- Commercial transformation programme now live
- Digital marketing studio
- SAP Ariba enabled e-Procurement suite
- AWS cloud migration



GLOBAL SUPPLY CHAIN

- Digital manufacturing programme
- Extended warehouse management system
- National Distribution Centre upgrade
- Additional new can line in Rugby
- New capacity & vertical integration in Brazil



Confident in our strategy and building long term momentum

- Strong H1 growth, despite external headwinds
- Multiple growth opportunities to further develop existing markets and access new spaces
- Continuing to invest in broad brand portfolio, future organisational capability and sustainability
- Clear and compelling priorities for H2
- Proven track record of resilience, agility and execution
- Confident in our future cash flow



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Q&A

| Location | | Phone Number |
|-----------------------|--------------------|---------------------|
| United Kingdom | Tollfree/Freephone | 0800 279 6877 |
| United Kingdom, Local | Local | +44 (0)330 165 4012 |
| Confirmation code | 7088891 | |