

**BRITVIC**

# Investing to accelerate growth

## Preliminary Results

22 November 2023



# Agenda



Simon Litherland  
Chief Executive Officer

## Strategic & operational review

Strong performance & excellent progress

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Rebecca Napier  
Chief Financial Officer

## Financial review

A confident financial performance

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Simon Litherland  
Chief Executive Officer

## Looking ahead

Continuing to deliver superior growth & shareholder returns







Simon Litherland  
Chief Executive Officer

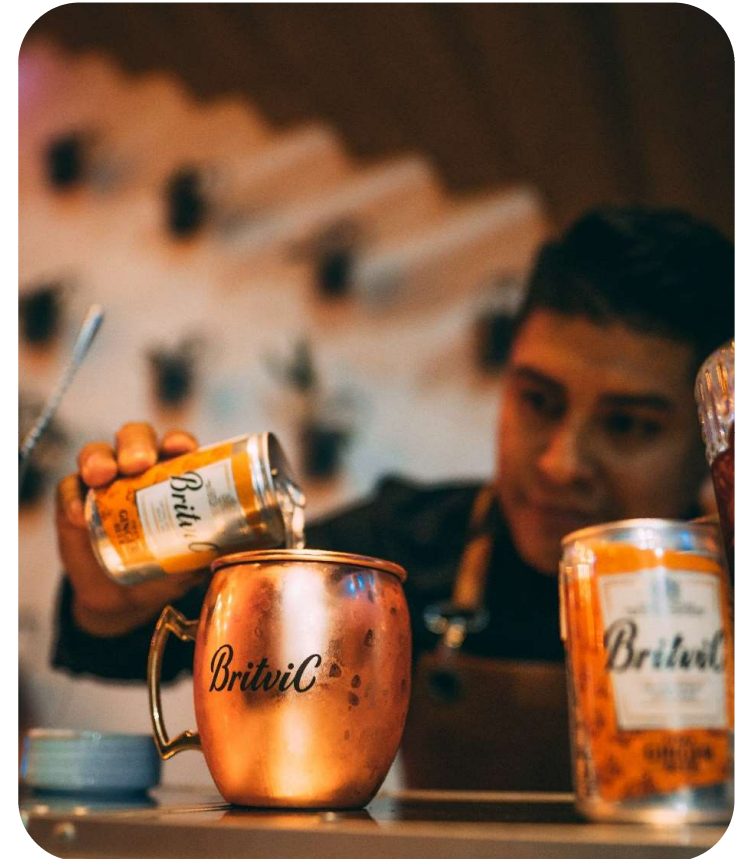
## Strategic & operational review

Strong performance & excellent progress



## Strong performance and excellent progress

- Once again **delivering**, in another challenging year
- **Winning** portfolio of trusted, **family favourite brands**
- **Investing** to accelerate growth
- Our business strategy continues to underpin **superior** and **sustainable** returns
- Identified clear and compelling drivers of **future growth**



# Delivering across People, Planet and Performance



Revenue  
+6.6%



Margin  
(10)bps



Adjusted EPS  
+6.5%



Cash returned  
£149.2m



1.9x adjusted net  
debt leverage



78 employee  
engagement



22 calories per  
serve average



33% carbon  
reduction\*



## 2023 highlights



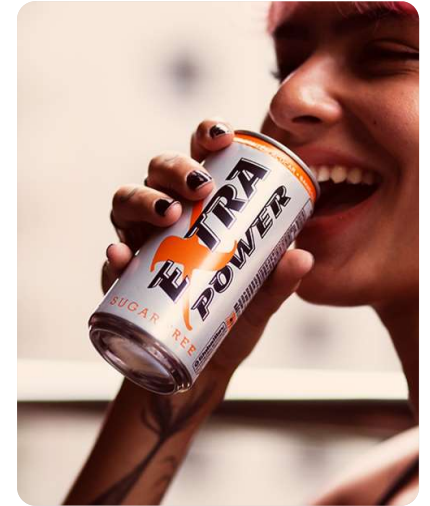
Leading the market  
in low & no sugar  
carbonates



Successfully scaling  
premium brands



Leveraging capability  
in new growth spaces



Bolt-on acquisitions  
to access fast-  
growing categories

## Winning in low and no sugar carbonated brands



### Pepsi MAX

- No. 1 soft drink brand in GB retail
- Taste preferred by 70% of consumers
- Proven marketing platforms (football and music)
- Scaling flavour innovation
- Pack architecture to unlock channel opportunities



### Tango

- Fastest-growing fruit flavoured carbonate
- Increased, multi-channel marketing investment
- 'Get Tango'd' campaign and Prince's Trust partnership
- Rotational sugar-free flavour innovation strategy
- Pack architecture to unlock channel opportunities

7 NielsenIQ RMS, Total Coverage, Soft Drinks Brands, Britvic defined volume sales, MAT WE 22.04.23 . <sup>1</sup> NielsenIQ RMS, Total Coverage, Pepsi MAX, Value Sales Growth, MAT 4YA to WE 15.07.23 . <sup>2</sup> Kantar WPO , Take Home, Cola , Pepsi Max, Buyers & Volume per Buyer ,52 WE 16.04.23 3. in the 2022 Pepsi MAX Taste Challenge, in a blind sampling in the UK between 03.08.22 & 02.10.22, 24,296 of 34,322 people preferred the taste of Pepsi MAX to the UK's biggest selling full sugar cola. For verification go to [www.pepsi.co.uk/faq](http://www.pepsi.co.uk/faq) 4. NielsenIQ RMS, Total Coverage, MAT Value Sales to 28.01.23 | Pepsi Max flavours, Britvic Defined, MAT to WE 28.01.23

## Successfully scaling our premium brands



### LONDON ESSENCE

- 7.4k new distribution points across GB retail and hospitality
- 1,500 Freshly Infused founts in GB
- Listed in 38/100 World's best bars & 15/50 best luxury hotels
- New soda flavours to broaden appeal

### MATHIEU TEISSEIRE

- Growth across Europe, Brazil, Asia and Middle East
- New pack formats and flavours
- 9 trade studios, c.40 brand ambassadors and global trade activation events



## Leveraging our capability to scale new growth spaces



### PLENISH

- Distribution gains: M\*lks +72%\*, Shots +463%\*\*
- M\*lks #4 brand in the category
- Barista range launched (grocery channel and hospitality)
- Shots doubled share, growing at 4x rate of number 1 brand

### AQUA LIBRA

- 4 distinct product areas – packaged and infused, flavour tap, commercial taps and table bottling
- Account wins across major corporates, retail and hospitality
- Strong HPHP position with 'better for you' liquids and reduction in packaging materials

## Leveraging our capability to scale new growth spaces



### **BRAZIL – ACQUISITION OF EXTRA POWER**

- Access to fast-growing, high-margin energy category
- Improved route to market into Mid-West
- Modern, efficient warehouse in Brasilia
- Revenue and cost synergies



### **GB – ACQUISITION OF JIMMY'S ICED COFFEE**

- Access to fast-growing UK ready-to-drink iced coffee category
- Fastest growing brand with 7% share
- Powerful brand and great tasting product
- Will leverage core Britvic capabilities to accelerate growth

# People and Planet at the heart of our business

## HEALTHIER PEOPLE



Healthier consumer choices

## HEALTHIER PLANET



Decarbonisation roadmap



Employee belonging and wellbeing



Community partnerships



Water stewardship



Reimagining packaging





Rebecca Napier  
Chief Financial Officer

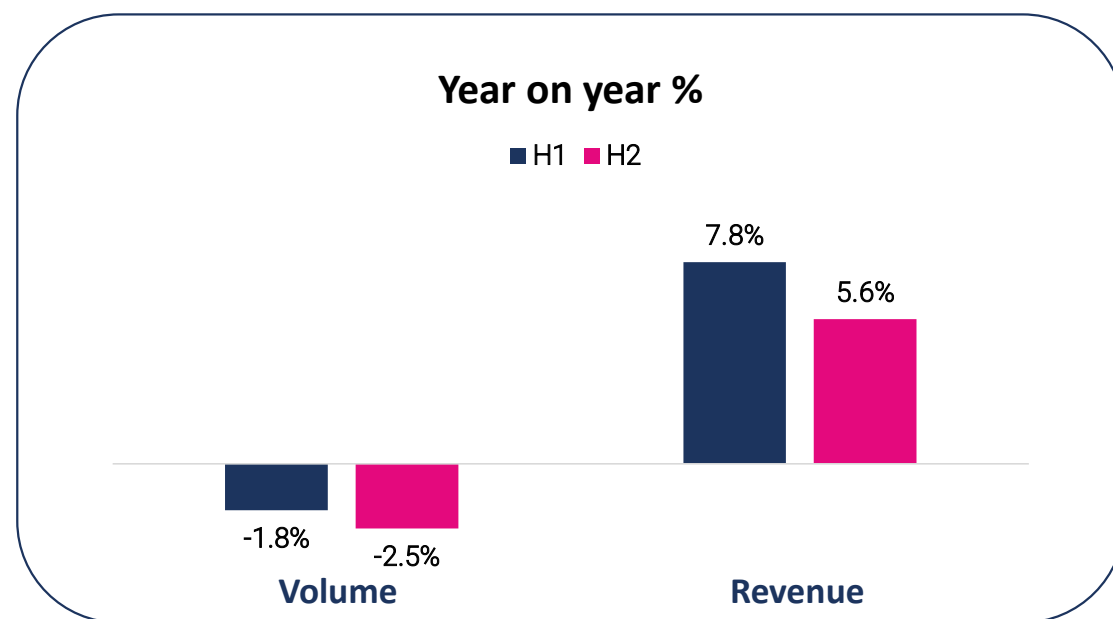
## Financial review

A confident financial performance



## A confident financial performance

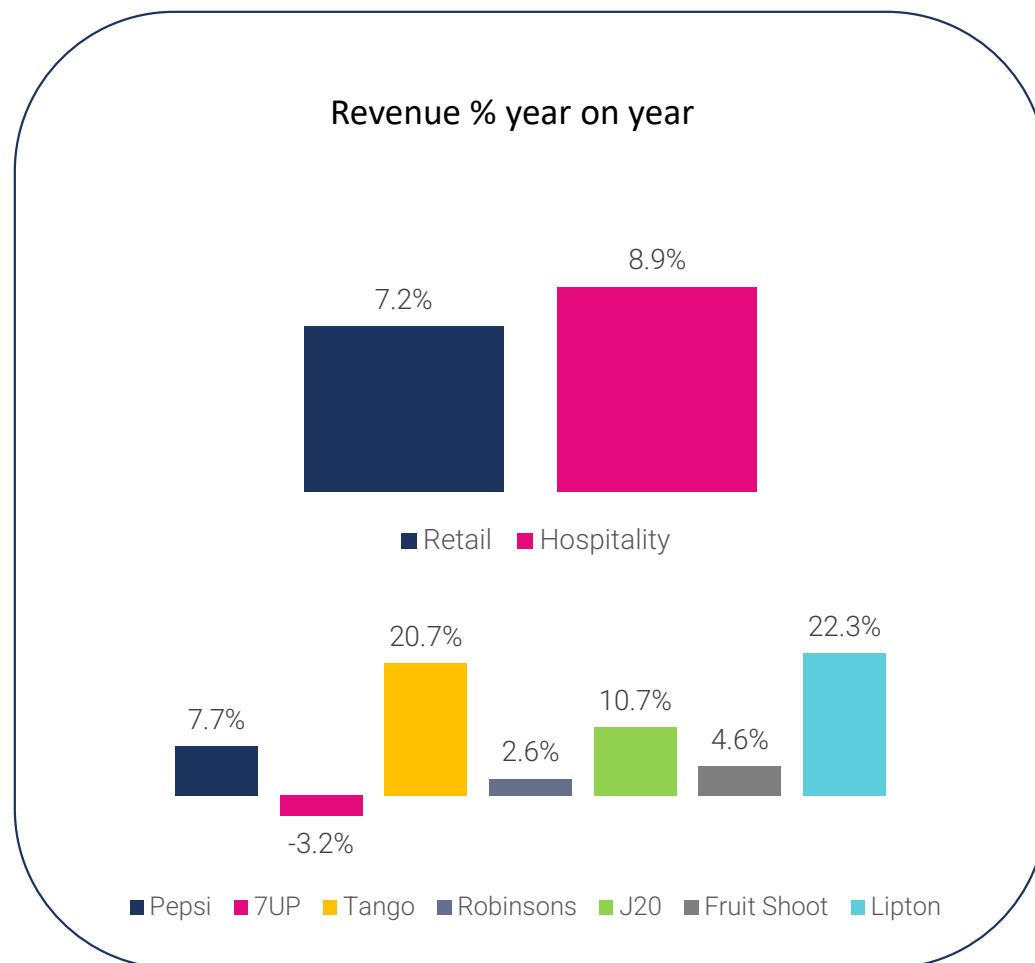
|                      | 2023             | % vs 2022 |
|----------------------|------------------|-----------|
| Volume               | <b>2,463.1m</b>  | (2.2)%    |
| Net Revenue          | <b>£1,748.6m</b> | +6.6%     |
| Adjusted EBIT        | <b>£218.4m</b>   | +5.9%     |
| Adjusted EBIT margin | <b>12.5%</b>     | (10)bps   |
| Adjusted EPS         | <b>61.0p</b>     | +6.5%     |
| DPS                  | <b>30.8p</b>     | +6.2%     |
| FCF                  | <b>£129.8m</b>   | +£1.0m    |
| Debt leverage        | <b>1.9x</b>      | -         |
| ROIC                 | <b>17.9%</b>     | +150bps   |



## GB - Growth across Britvic and Pepsi brands

|                              | 2023      | % Vs 2022 |
|------------------------------|-----------|-----------|
| Volume                       | 1,750.2m  | (2.3)%    |
| Average Realised Price (ARP) | 67.9p     | +10.6%    |
| Net revenue                  | £1,187.7m | +7.9%     |
| Brand contribution           | £479.6m   | +12.6%    |
| Brand contribution margin    | 40.4%     | +170bps   |

- Marginal volume decline due to tough Q4 comparable hot summer in 2022, and poor weather in July/August 2023
- Successfully executed revenue growth management plan to offset cost inflation

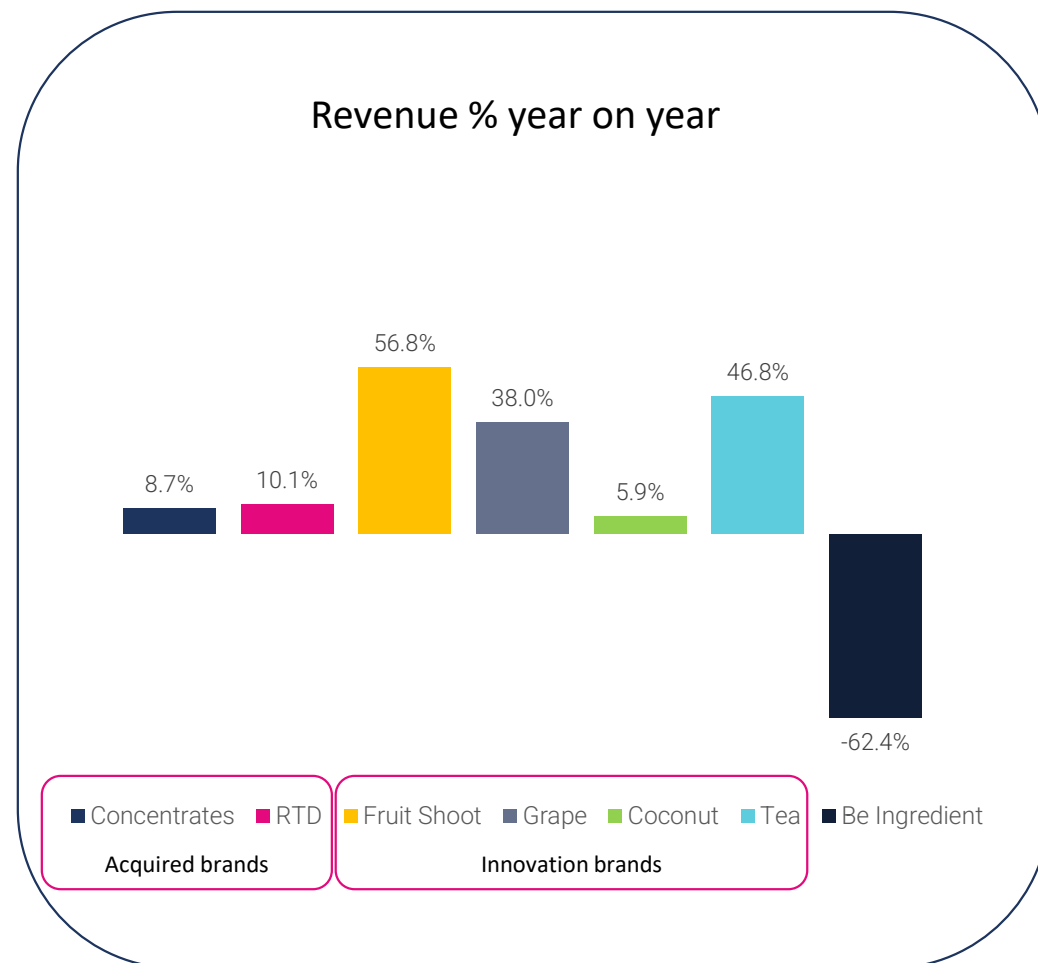




## Brazil – Brands delivering robust volume and revenue growth

|                              | 2023    | % Vs 2022 |
|------------------------------|---------|-----------|
| Volume                       | 296.5m  | (0.9)%    |
| Average Realised Price (ARP) | 52.7p   | +1.0%     |
| Net revenue                  | £156.2m | —         |
| Brand contribution           | £36.2m  | +2.2%     |
| Brand contribution margin    | 23.2%   | +50bps    |

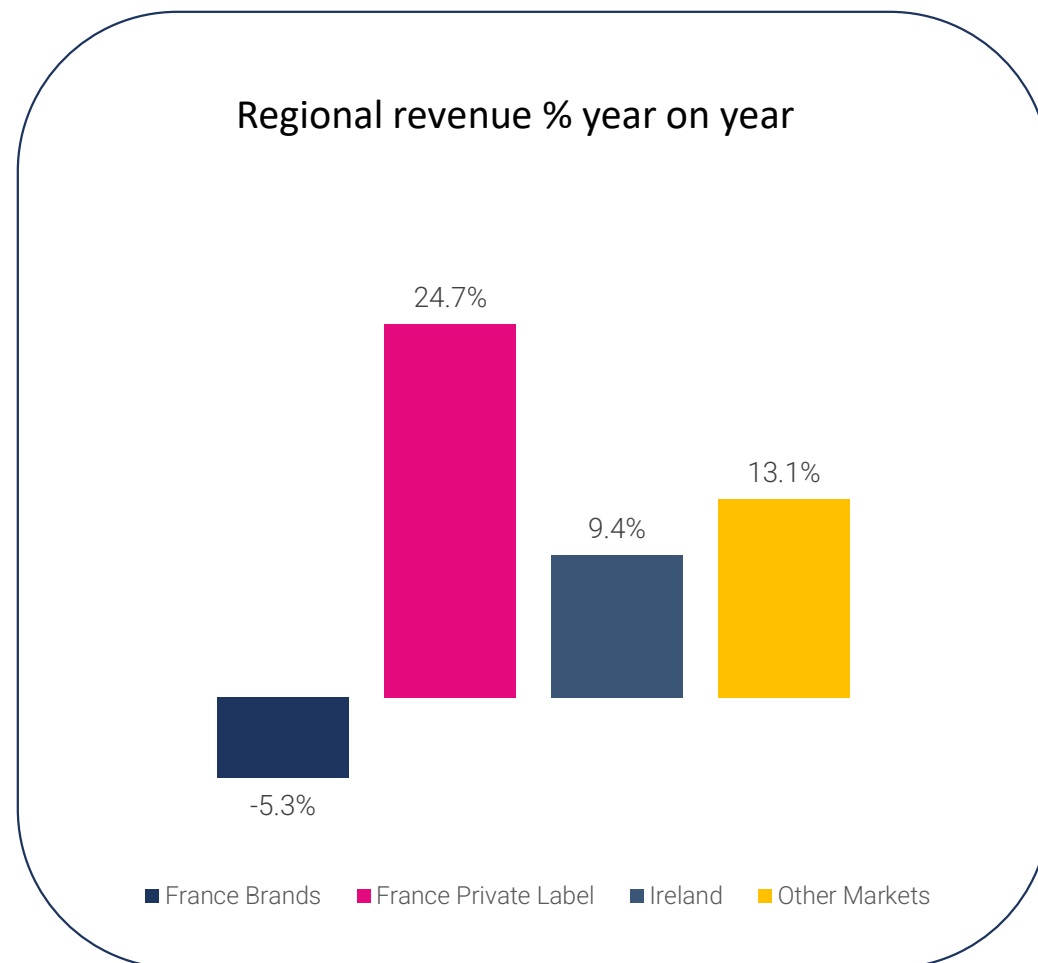
- Poor yield led to significant volume and revenue decline in fruit processing business (Be Ingredient)
- Both core and innovation brands delivering excellent revenue growth
- New brand innovation 32% of revenue



## Other International – growth in Ireland offset by challenges in France

|                              | 2023    | % Vs 2022 |
|------------------------------|---------|-----------|
| Volume                       | 416.5m  | (2.7)%    |
| Average Realised Price (ARP) | 97.2p   | +8.6%     |
| Net revenue                  | £404.7m | +5.7%     |
| Brand contribution           | £99.6m  | (8.7)%    |
| Brand contribution margin    | 24.6%   | (390)bps  |

- Adverse mix and under-recovery of significant cost inflation in France
- Volume and average realised price growth in Ireland
- Travel channel, Asia and other European markets performing strongly



## Adjusting items, primarily due to non-cash adjustments

|                                   | 2023 £m    | 2023 £m     | 2023 £m     |
|-----------------------------------|------------|-------------|-------------|
|                                   | Cash       | Non-cash    | Total       |
| Strategic restructuring costs     | 5.2        |             | 5.2         |
| M&A related costs                 | 2.4        |             | 2.4         |
| Ireland DRS                       | 0.5        |             | 0.5         |
| Acquisition related amortisation  |            | 8.3         | 8.3         |
| Pension past service cost         |            | 20.5        | 20.5        |
| <b>Total EBIT adjusting items</b> | <b>8.1</b> | <b>28.8</b> | <b>36.9</b> |
| Loan hedging                      |            | 1.5         | 1.5         |
| <b>Total adjusting items</b>      | <b>8.1</b> | <b>30.3</b> | <b>38.4</b> |



## Successfully managing input costs to ensure availability and cost visibility

- Supply resilience of key components secured through supplier relationship management
- Sustainability credentials key to supplier partnerships
- Rolling 18 month hedging policy with >80% coverage in FY24, where hedgeable, through both financial hedges and physical contracts
- Packaging and energy inflation moderating, offset by services, people and agricultural commodities



# Targeted investment to accelerate our growth



**CAPACITY & INFRASTRUCTURE**

- New capacity added in GB, Ireland & Brazil
- Digitising manufacturing network
- Supply Chain sustainability investment
- National distribution centre upgrade



**BRAND BUILDING**

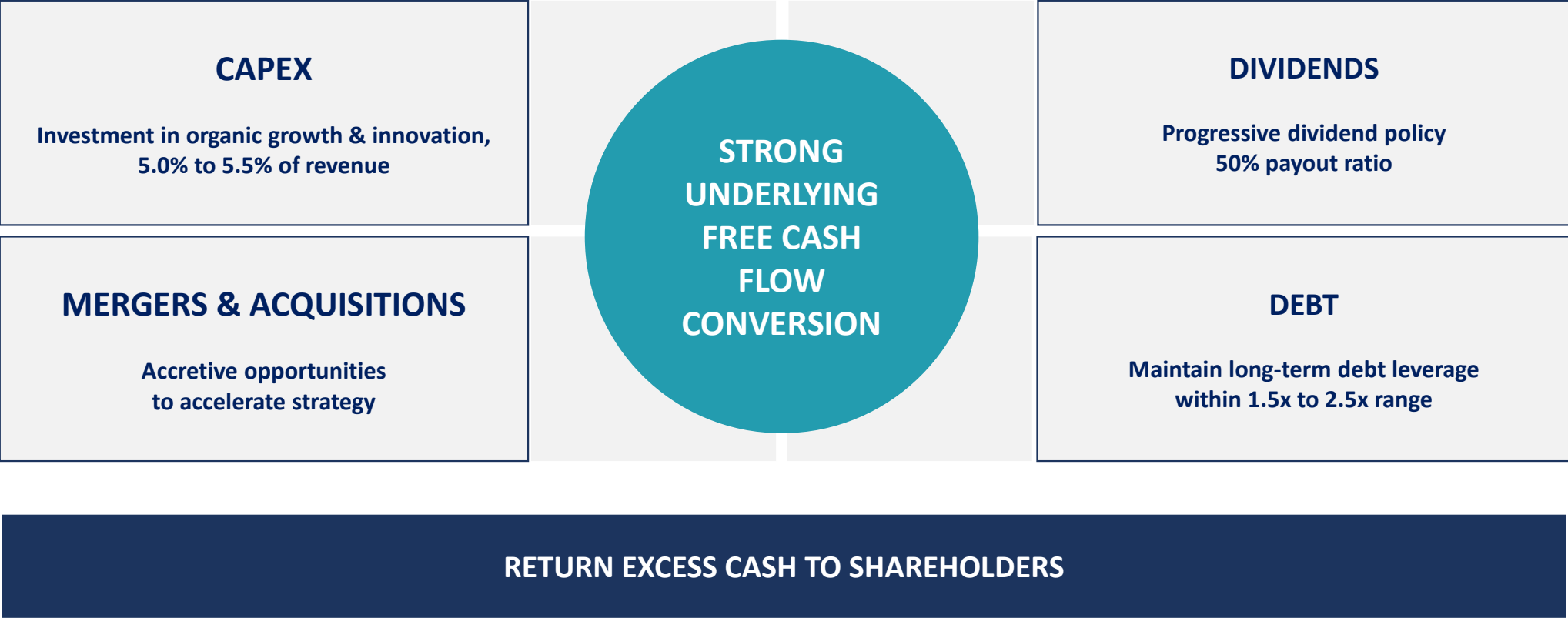
- c.9% increase in A&P spend behind our brands
- Investing in innovation to accelerate growth



**PEOPLE & CAPABILITY**

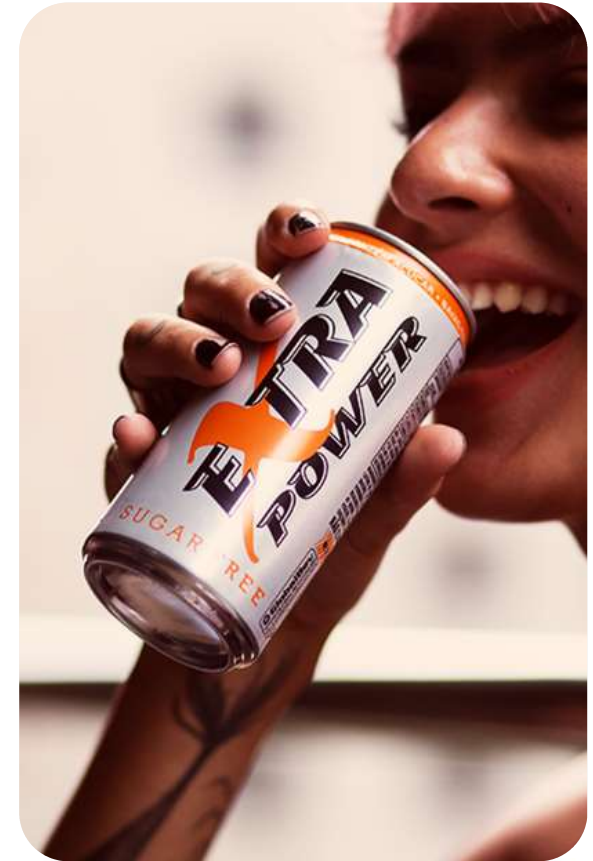
- Additional field sales resource to support growth in immediate consumption
- Salary increases to retain and recruit the best talent

# A disciplined capital allocation policy



## Guidance

- Effective tax rate 23% to 24%
- Net interest cost of £34m to £36m, reflecting increased cost of borrowing
- £5m cash pension contribution
- Capital spend £75m to £85m
- Adjusting items £13m to £15m, most of which is recurring non-cash acquisition-related amortisation
- Inflation low to mid-single digit % in 2024
- Jimmy's Iced Coffee proforma revenue c.£12m
- Extra Power acquisition completed in October - proforma revenue c.R\$120m







Simon Litherland  
Chief Executive Officer

## Looking ahead

Continuing to deliver superior  
growth & shareholder returns



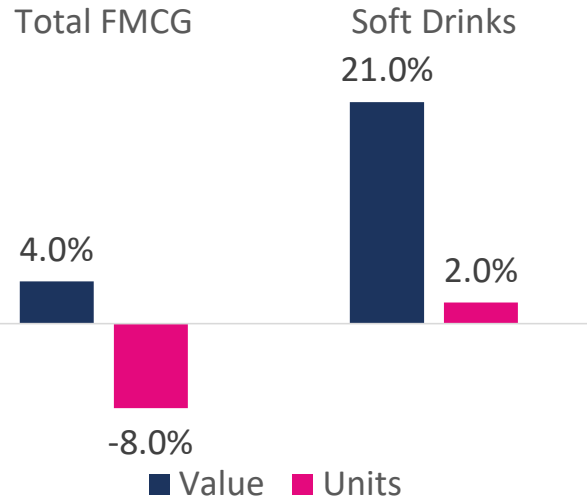
# Soft drinks is a resilient growth category

Continued category growth forecast\*

2-4%

Soft drinks outperforming wider FMCG in value and volume\*\*

Value and Unit growth vs 2YA



Brands driving the growth

- Private label presence in soft drinks lower than most FMCG categories
- Soft drinks one of only 2 categories where brands outgrowing private label

## Consistent track record of superior shareholder returns

- 5-year revenue CAGR 5.2%
- Consistently outperformed FTSE and soft drinks peer set

| TSR*   | Britvic | FTSE250 | FTSE100 | Soft Drinks peer set* |
|--------|---------|---------|---------|-----------------------|
| 1 Year | 19.4%   | -1.3%   | 7.0%    | 10.7%                 |
| 5 Year | 23.7%   | 2.8%    | 23.8%   | -4.9%                 |



# Our strategy continues to drive 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 IN GB**



**ACCELERATE AND EXPAND IN BRAZIL**



**GLOBALISE PREMIUM BRANDS & IMPROVE PROFITABILITY IN WESTERN EUROPE**

## ENABLERS

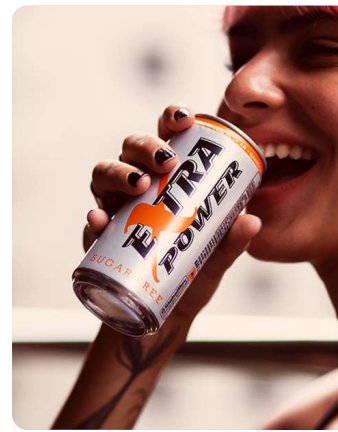
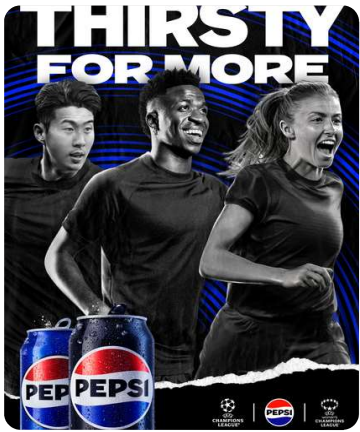
**GENERATE FUEL FOR GROWTH THROUGH EFFICIENCY**

**TRANSFORM ORGANISATIONAL CULTURE & CAPABILITY**

**SELECTIVE M&A TO ACCELERATE GROWTH**



## Compelling future growth drivers



Category  
volume growth  
& price/mix

Family favourite  
brands in targeted  
channels

Double digit  
growth  
in Brazil

Strong double  
digit growth in  
new spaces

## Leading market growth through family favourites



Rev Growth  
5Y CAGR

+7.4%

+14.2%

+20.8%

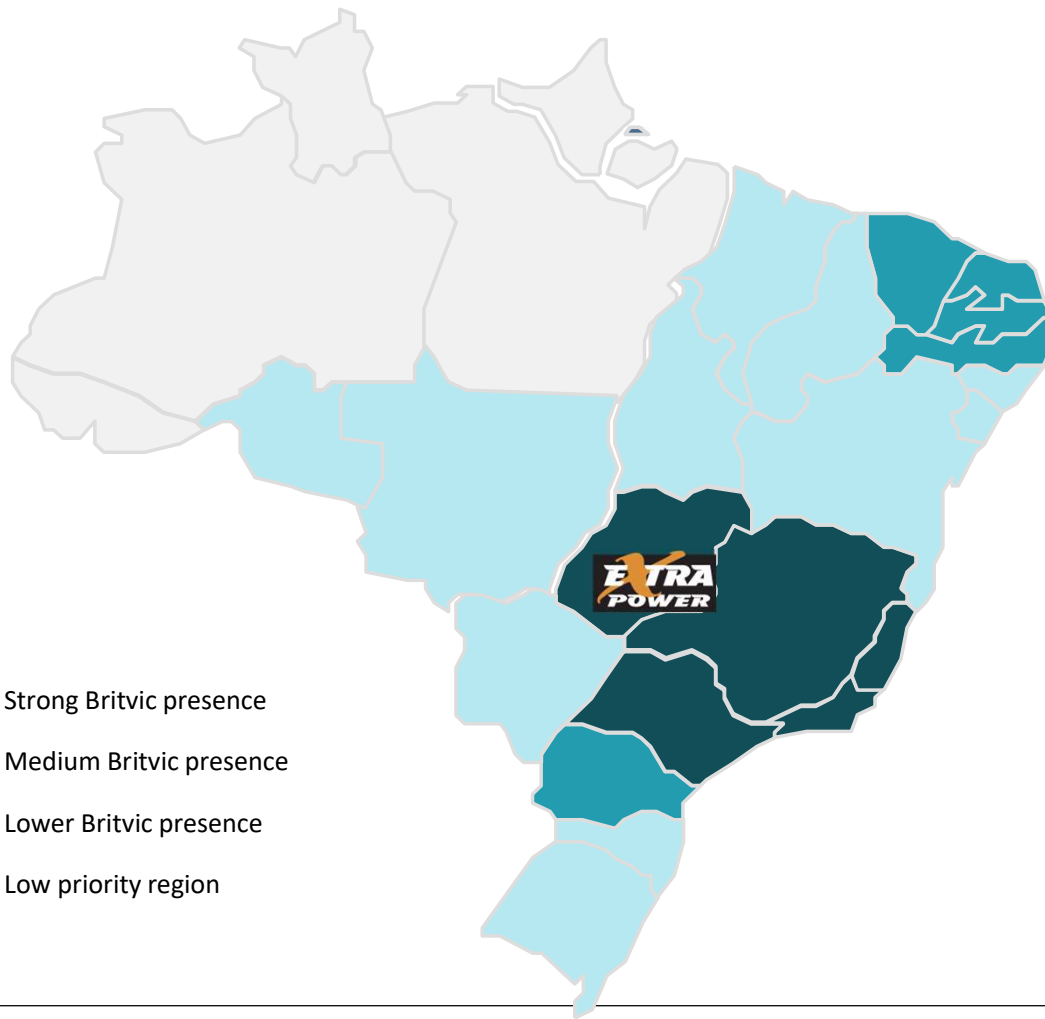
Market  
Share

32.0%

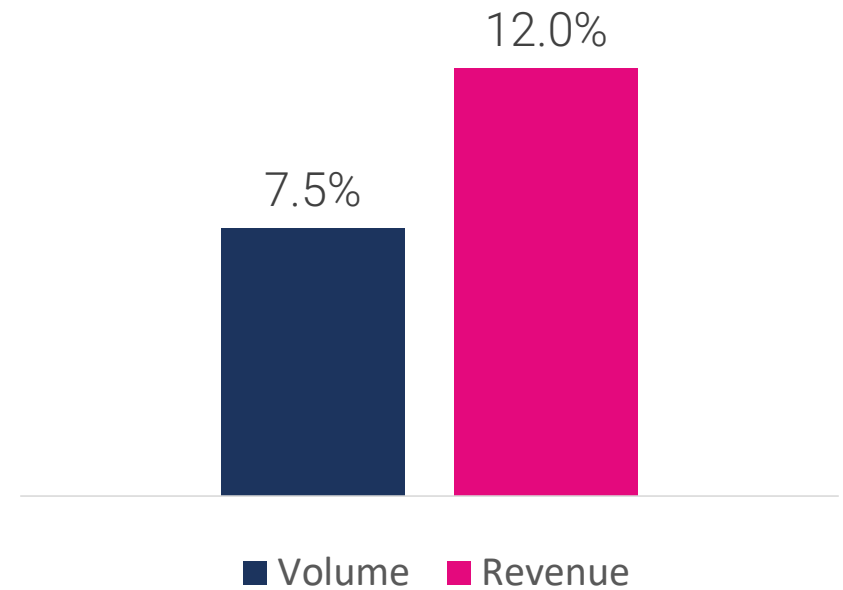
9.4%

66.6%

# Brazil delivering double-digit top line growth



## 2019-2023 CAGR



# Scaling new spaces will deliver accelerated growth



Global Premium



Water +



Plant-based



Iced Coffee



Energy

Combined portfolio worth >£70m Revenue in 2023



## In Summary

- Another year of strong delivery and market outperformance
- Operating in a resilient and growing category
- Our strategy continues to deliver market-beating returns
- Continuing to invest in our brands, people, technology, supply chain and sustainability
- Clear and compelling future growth drivers



BRITVIČ

Thank you

