Britvic plc Preliminary Results – 22 November 2023

For the year ended 30 September 2023

'Excellent progress in a challenging market'

Group Financial Headlines:

- Revenue increased 6.6%[1] to £1,748.6 million (statutory increased 8.1%), driven by price/mix
- Adjusted EBIT increased 5.9% to £218.4 million (actual exchange rate increased 6.0%), reported EBIT decreased 5.6%
- Adjusted EBIT margin decreased 10bps[1] to 12.5% (statutory decreased 20bps)
- Adjusting EBIT items[2] net charge of £36.9 million, of which £28.8m was non-cash
    - Including a £20.5 million non-cash pension adjustment related to a mutually beneficial conclusion with the Trustees in respect of the rate of future pension increases
- Profit after tax decreased 11.6% to £124.0 million, mainly driven by the impact of adjusting items
- Adjusted earnings per share of 61.0p, increased 6.5%
- Free cash flow generation of £129.8 million, with adjusted net debt to EBITDA at 1.9x
- Full year dividend increased 6.2% at 30.8p, reflecting the Board's confidence in our prospects and strong balance sheet

Operational Highlights:

- Demand remained strong, modest volume decline due to tough Q4 comparable of the hot summer in Europe in 2022 and poor weather in July and August 2023
- Successfully managing the inflationary environment
- Standout performances from Tango and Pepsi MAX
- Leveraging our brand building capability to scale Plenish, Aqua Libra and our Global Premium brands
- Bolt-on acquisitions in Great Britain and Brazil to access fast-growing categories
- Continued investment in growth capacity, with new lines operational in Great Britain and Brazil
- Healthier consumer choices (total portfolio average 22 calories per serve, 12.5 calories per serve in Great Britain), and Healthier Planet, through investment in decarbonisation and water stewardship programmes
- Share buyback ongoing, £75 million repurchased over the last 12 months

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate (statutory)	Adjusted % change constant exchange rate[1]
Revenue	1,748.6	1,618.3	8.1%	6.6%
Adjusted EBIT	218.4	206.0	6.0%	5.9%
Adjusted EBIT margin	12.5%	12.7%	(20)bps	(10)bps
Adjusting EBIT items [2]	(36.9)	(13.6)	(171.3)%	(171.3)%
Reported EBIT	181.5	192.4	(5.7)%	(5.6)%
Reported EBIT margin	10.4%	11.9%	(150)bps	(130)bps
Profit after tax	124.0	140.2	(11.6)%	(11.4)%
Basic EPS	48.3p	52.6p	(8.2)%	
Adjusted basic EPS	61.0p	57.3p	6.5%	
Full year dividend per share	30.8p	29.0p	6.2%	
Adjusted net debt/EBITDA	1.9x	1.9x	–	
ROIC	17.9%	16.4%	150bps	
See glossary on page 31 for definitions of performance measures and the appendix of non-GAAP reconciliations on page 27 for the reconciliation of alternative performance measures to IFRS measures.				

1. *Adjusted for constant currency.*
2. *Adjusting EBIT items of £36.9 million are detailed on page 27. Total adjusting items totalled £38.4 million, of which £36.9 million are EBIT-related (year ended 30 September 2022: £13.6 million).*

Simon Litherland, Chief Executive Officer commented:

"We have delivered another set of excellent results, making strong progress across our People, Planet and Performance measures. Our portfolio of family favourite brands and focus on great tasting, healthier drinks offer both quality and value at affordable prices. We have continued to invest across our supply chain, adding capacity and upgrading technology, while also building our brands and portfolio, including the acquisitions of Extra Power in Brazil and Jimmy's Iced Coffee in Great Britain. Looking ahead, we have clear strategic priorities for 2024 and an exciting programme of marketing and innovation launches coming to market. With our fantastic portfolio and talented, engaged team, I am confident Britvic will continue to make excellent progress next year and beyond, delivering growth and creating value for all our stakeholders."

For further information please contact:

Investors:	
Rebecca Napier (Chief Financial Officer)	+44 (0) 1442 284330
Steve Nightingale (Director of Investor Relations)	+44 (0) 7808 097784
Media:	
Steph Macduff-Duncan (Head of Corporate Communications)	+44 (0) 7808 097680
Stephen Malthouse (Headland)	+44 (0) 7734 956201

There will be a live webcast of the presentation today at 09:00am by Simon Litherland (Chief Executive Officer) and Rebecca Napier (Chief Financial Officer). The webcast will be available at www.britvic.com/investors with a transcript available in due course.

About Britvic

Britvic is an international soft drinks business, rich in history and heritage. Founded in England in the 1930s, it has grown into a global organisation with 39 much-loved brands sold in over 100 countries. The company combines its own leading brand portfolio including Fruit Shoot, Robinsons, Tango, J2O, London Essence, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Lipton Ice Tea which Britvic produces and sells in Great Britain and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain and the number two supplier of branded carbonated soft drinks in Great Britain. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, in France with brands such as Teisseire, Pressade and Moulin de Valdonne and in its growth market, Brazil, with Maguary, Bela Ischia and Dafruta. Britvic is growing its reach into other territories through franchising, export, and licensing.

Britvic is a purpose-driven organisation with a clear vision and a clear set of values. Our purpose, vision and values sit at the heart of our company, driving us forward together to create a better tomorrow. We want to contribute positively to the people and world around us. This means ensuring that our sustainable business practices, which we call Healthier People, Healthier Planet, are embedded in every element of our business strategy.

Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index. Find out more at Britvic.com

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.

Market data

Great Britain take-home market data referred to in this announcement is supplied by Nielsen and runs to 23 September 2023. ROI take-home market data referred to is supplied by Nielsen and runs to 10 September 2023. French market data is supplied by Nielsen and runs to 10 September 2023. Brazil market data is supplied by Nielsen and runs to 30 September 2023.

Next scheduled announcement
Britvic will publish its quarter one trading statement on 25 January 2024.

Chief Executive Officer's Review

Performance highlights

Today we report our results for the year ended 30 September 2023. The Britvic team have continued to show resilience, agility, and dedication to deliver a fantastic set of outcomes. I want to thank them and their families for their unwavering commitment to Britvic.

Revenue is ahead of last year, at +6.6% (+8.1% on a statutory basis). Through a combination of revenue growth management actions and cost discipline we have been able to mitigate the substantial cost inflation pressures, with adjusted EBIT margin only 10 basis points down on last year. Consequently, adjusted EBIT increased 5.9% (actual exchange rate +6.0%). We have demonstrated that our portfolio of trusted brands has been able to take and hold significant price, with very limited volume impact. Strong customer relationships are vital to our success, and we have successfully executed our joint business plans, delivering engaging in-store execution, price and promotional activity, innovation and high service levels to ensure availability.

Heading into the key summer trading period we faced a tough comparable due to the exceptional weather in Europe in 2022 and while the conditions in June were very good, the weather in July and August was wet and windy this year. Despite this, demand for our brands has remained solid, with only a modest volume decline in the full year.

We have continued to invest in our business to unlock growth and deliver a great customer, shopper, and consumer experience. The Advertising and Promotional (A&P) investment we have made behind our compelling physical and digital marketing increased by nearly 9%, keeping our brands relevant and in front of consumers. Across our markets, innovation continued to be a driver of growth, the detail of which is covered in the market highlights below.

Our focus and discipline on cash enabled us to generate a free cash flow of £129.8 million, with our leverage ratio remaining flat at 1.9x, while continuing to invest in the business, complete an acquisition and return cash to shareholders through both the dividend and the share buyback programme. Our strategy has driven consistent revenue growth over the past five years, with a like for like Compound Annual Growth Rate (CAGR) of 5.2%.

Our Healthier People, Healthier Planet programme is embedded in our business and decision making and we have continued to make progress on our sustainability journey. More detail is shared in the review of the year below.

A clear strategy underpinning superior returns for shareholders

We refreshed our strategy in 2019, to ensure the business was well-placed to access growth opportunities in the changing consumer and retail landscape across our markets. Throughout the external turbulence of the pandemic and the subsequent high levels of inflation, the strategy has continued to drive our performance. With a portfolio of market-leading brands, a multi-channel route to market, well-invested supply chain and strong customer relationships, we believe we are well-positioned to continue to deliver superior returns to shareholders.

Our future focus remains on four key strategic priorities:

- Build local favourites and global premium brands
- Flavour billions of water occasions
- Healthier People, Healthier Planet
- Access new growth spaces

Each of our markets has a defined role to play delivering the strategy:

- Great Britain – to lead market growth
- Brazil – to accelerate growth and expand our presence
- Other International – to globalise premium brands and improve profitability in Western Europe

Underpinning this strategy are three critical enablers:

- Generate fuel for growth through efficiency
- Transform organisational capability and culture
- Selective Mergers and Acquisitions (M&A) to accelerate growth

Market highlights

Great Britain

We have delivered a strong performance, growing revenue across both our own brands and the PepsiCo portfolio. We took price earlier in 2023 than in 2022, in quarter one, to offset double digit cost inflation and to minimise the lag we experienced last year, when cost inflation impacted us from the start of the financial year, but we were only able to respond in Q2. Importantly, we have carefully managed promotional activity, pack architecture and mix, ensuring that our brands continue to provide consumers with great quality and value at affordable price points. Volumes have been resilient despite price increases, growing in both quarter two and quarter three. Volumes declined in quarter four, as the disappointing weather across July and August compounded the tough comparable we faced from last summer; the soft drinks category, as measured by Nielsen, experienced an 8.9% volume decline year on year over the final quarter.

We continued to win with consumers in carbonates, with our focus on great tasting low and no sugar brands. Pepsi MAX is the fastest growing cola brand, has continued to gain value share and is the number one brand variant by volume within soft drinks in GB retail. Flavour innovation has been a key part of the Pepsi MAX success story, now accounting for over 30% of the brand's retail sales value, and this year we added Mango to the range. Tango has also been a huge success over recent years, and that has accelerated further in 2023, with revenue up 20.7%. We extended the brand flavour range, with the launch of Paradise Punch, to build on the success of the Berry Peachy and Dark Berry innovations. Tango is the fastest growing fruit flavoured carbonates brand, tripling in size since 2018.

During the year, we installed a new, small bottle PET line at our London factory, to support our growth ambitions in immediate consumption. This line will be fully operational in 2024. We also commissioned another can line at our Rugby factory to meet demand for our carbonates brands. Not only will this support increasing consumer demand for our multi-pack cans, but it has also enabled us to bring Rockstar production in-house. Since taking on the Rockstar brand in 2021 under a co-pack model, we have suffered several issues that have impacted our ability to supply customers and effectively activate marketing campaigns. The energy category is a significant opportunity for us, and with PepsiCo, we will continue building brand equity. This year we have increased investment, resourcing a new regional field sales team to deliver outstanding execution in outlet. We also announced a new global music platform 'Press Play', with Stormzy leading an international roster of stars in an electrifying digital concert series.

In 2020 we acquired The Boiling Tap Company. One of our long-standing core areas of strength is dispense in pubs and dining, and this acquisition, renamed as Aqua Libra Co, strengthens Britvic's offer Beyond the Bottle. We have developed the Aqua Libra proposition in four distinct product areas – packaged infused water, commercial taps, hospitality table water and the flavour tap. Aqua Libra is unique in this combination, offering healthy hydration and a solution that enables a 99% reduction in packaging materials.

In 2021, we acquired Plenish, to access the plant-based drinks category. This offers a scale growth opportunity for the future and added to our brand portfolio in an area where we had little in-house expertise. Since acquisition, we have been leveraging our brand building capability to realise the brand's full potential. We have step changed distribution points in retail, with M*lks growing +72% and Shots +463% year on year. Our M*lks range is now number four in the category, with significant further headroom to grow. Our Shots range is growing at four times the rate of the number one brand and has nearly doubled share year on year. In September, we launched our latest innovation, a Barista m*lk range, giving us access to the hot drink category, which is the largest driver of growth in plant-based milks. It has been extremely technically challenging to create a Barista product which maintains Plenish's unique positioning as the only brand on the market containing no oils and no gums, so I am particularly proud that our technical teams have achieved another industry first.

In July, we announced the acquisition of Jimmy's Iced Coffee, giving us immediate access to the fast-growing UK ready-to-drink iced coffee category. Jimmy's is the fastest growing brand in the segment, with a strong brand positioning, lower calories per serve than category average, distinctive recyclable packaging and fully compliant with legislation in relation to products that are high in fat, salt, and sugar (HFSS). As with our other recent acquisitions, we will leverage our strong customer relationships, distribution network, procurement, and innovation capability to continue its strong growth trajectory.

Everywhere at Britvic, our brand and business investment is underpinned by our ESG agenda: Healthier People, Healthier Planet. This programme ranges from employee and community wellbeing and healthier consumer choices to minimising our environmental impact across packaging, water and carbon emissions.

Our corporate charity is Bounce Forward, whose aim is to support parents and teachers in schools across the UK to develop young people's psychological fitness, helping them lead happier, heathier lives. Our support is enabling children and young people to be taught the mental resilience and emotional wellbeing skills they need to flourish as adults in the future. Our brands also support communities. For example, Tango has successfully partnered with The Prince's Trust, pledging a further £120,000 as we enter the second year of this association. The partnership enables the Trust to support young people who face disadvantage with the skills and confidence they need to thrive.

We announced during the year that we are investing £8 million in an industry-leading heat recovery system at our Beckton site in east London, which will save 1,200 tonnes of carbon annually and decarbonise 50% of the site's heat demand. We have also partnered with Atrato Onsite Energy, a leading solar energy provider, to deliver clean energy to Britvic via an innovative 10-year Power Purchase Agreement at a new solar installation in Northamptonshire. This will generate energy exclusively for Britvic and will be capable of producing clean energy, the equivalent of powering 11,500 homes or planting 260,000 trees. The electricity generated will be enough to power 75% of Britvic's current operations in Great Britain.

Brazil

While Brazil is an identified growth market within our strategy and has delivered double digit revenue growth over several years, the extreme inflation experienced last year required a correction in margin. Brazil is particularly reliant on juice pricing, especially our fruit processing business Be Ingredient, which has been impacted by the extreme volatility in agricultural commodities, driven primarily by poor crop yields.

Achieving the margin improvement required several levers to be pulled at the same time, including several increases to headline price and flexing of our recipe agility to manage cost of goods. We have also been proactively managing our mix by building our higher margin categories such as flavour concentrates, premium grape juice and Fruit Shoot. At the same time, we have maintained our commercial and operational discipline, sharpening our focus on superior in-store execution, and increasing production capacity on growth brands such as Fruit Shoot. We have invested in sponsoring selected Carnival events, a vast celebration that brings people out onto the streets. In addition, we have activated our brands around sport, sponsoring events such as Circuito das Estações (The Circuit of the Stations), which is synonymous with street running across the major cities of Brazil.

In July we announced a further bolt-on acquisition, which completed on 2 October, and gives us access to the high growth and higher margin energy category. The main brand we acquired was Extra Power, which has 42% market share in its core region of Goias (in the Centre-West, near Brasilia), as well as three additional brands: Flying Horse (a small but long-standing energy drinks brand primarily in the Sao Paulo region), Juxx (a premium juice brand) and

Amazoo (an acai smoothie brand). The transaction also includes a modern, efficient warehouse near Brasilia, which will enhance the efficiency of our supply and the effectiveness of our route to market in the Centre-West region for both the new brands and our existing portfolio, which has a smaller presence in this region. The acquisition also offers substantial back-office synergies as we bring the businesses together, and we anticipate it will be accretive to growth, margin, and earnings.

Other International Markets

We had a strong year in Ireland, with growth across the portfolio and successful revenue management activity. I am particularly pleased with the success of Ballygowan's Hint of Fruit. Leveraging the strong brand equity of Ireland's leading water brand, we innovated into the growing flavoured water category. Sugar-free, and with fewer than three calories per serve, Ballygowan Hint of Fruit is sourced locally and available in three great tasting flavours. Just one year after launch, it has achieved a 24% share of the flavoured water category.

As part of our healthier planet strategy, we have recently entered into an agreement for Ballygowan production to be 100% wind powered, helping to reduce our direct carbon emissions by 90%. This has been achieved through a new Customer Corporate Power Purchase Agreement (CPPA) – the first of its kind with a drinks brand in Ireland. It will allow us to fund electricity generation and produce enough electricity annually to power our production facility in Newcastle West. Every Ballygowan bottle is made from 100% recycled plastic, as well as being fully recyclable. We also announced an investment of €6 million in our Ballygowan facility in Newcastle West, to grow the site's production capacity by over 20% to meet growing consumer demand, creating 28 new jobs.

France trading has been more challenging, given the competitive retail market. Pricing discussions have been difficult and concluded much later than in our other markets, driven by the mandatory timetable. While we have executed price increases, these have not been sufficient to cover the significant levels of inflation and we have therefore experienced margin compression, which has been exacerbated by a softening in demand for our brands, as the pricing differential versus private label has increased. Strategically we continue to build resilience, simplifying and harmonising the Teisseire range globally. This will improve supply chain efficiency and flexibility, as well as support customer negotiations. In addition, we continue to focus on innovation, with lower sugar and natural ingredient ranges to better meet consumer needs.

Our global premium brands, London Essence and Mathieu Teisseire, have continued to make great progress, with the combined portfolio growing double-digit this year. Amongst many new account wins, London Essence secured an exclusive pouring agreement with Ennismore Hotels, a premium global hospitality brand majority-owned by Accor. The crafted soda range has expanded with two new flavours – Aromatic Orange & Fig, and Raspberry & Rose. Mathieu Teisseire won gold at the prestigious Monde selection awards 2023 for four of our new flavours and new listings have been secured in Asia, Germany and Oman. Recently, we announced that local production of Mathieu Teisseire had started in China to support local growth. New pack formats have also been launched to access new retail and hospitality channel opportunities.

Looking ahead

Our company's success is founded upon the breadth of our portfolio of strong, family favourite brands, the depth of our customer relationships, our well-invested infrastructure, our long-term partnership with Pepsi and the agility and dedication of our workforce. Sustainability is embedded in our business and our culture, informing our choices daily. Our strategy is working, and we have well-established drivers to continue our consistent track record of growth.

Soft drinks is a strong, resilient and growing category, which continues to outperform broader consumer goods. Consumption of non-alcoholic beverages continues to grow and, even before the significant inflation of the past couple of years, soft drinks have consistently increased their retail sales value ahead of volume. The category is a regular staple and an affordable treat, with demand once again proving resilient, as it has in previous periods of economic downturn and geopolitical volatility, with limited trading down to own label.

Britvic's forward-looking growth drivers are clear and compelling:

- Continued growth forecast for the category, in both volume and value
- Leading market growth through our family favourite brands, especially in targeted channels where we under-index
- Accelerated growth in Brazil
- Accessing new, fast-growing spaces

Near term, we have clear priorities to deliver in 2024. Despite continuing macro uncertainty, we will continue to engage consumers with compelling marketing, exciting innovation and strong in-store feature and display, and to mitigate the impact of inflation across our markets. We will also continue to invest, not only in our brands, but also in our people, planet, technology and infrastructure. All this, combined with our ongoing performance momentum, gives us confidence that we will once again navigate the external challenges to deliver further strategic progress in 2024 and continue to offer superior shareholder returns.

Chief Financial Officer's Review

Overview

I am delighted to present the 2023 Financial Review. Having joined Britvic in early September, I have spent time getting to know the business, visiting sites in Great Britain, France, and Ireland, with plans to visit Brazil early in the new year. Britvic is a great business, with a unique portfolio of family favourite brands, of which we are all very proud.

The company has delivered a strong financial performance this year, despite another year of highly significant cost inflation. A modest volume decline of 2.2% was more than offset by strong price/mix, demonstrated by Average Realised Price (ARP) growth of 9.1%. Consequently, Group revenue increased 6.6% (statutory +8.1%) year on year.

Adjusted EBIT increased 5.9% (actual exchange rate +6.0%) to £218.4 million and delivered an adjusted EBIT margin of 12.5% (2022: 12.7%). Adjusted Earnings Per Share (EPS) increased 6.5% year on year, reflecting the growth in adjusted EBIT and the reduction of the number of shares in issuance due to the share buyback programme. Basic EPS for the period was 48.3 pence, a decrease of 8.2% on last year, while diluted EPS for the period was 47.9 pence, a decrease of 8.8% on the same period last year. This was due to the impact of adjusting items, which were primarily non-cash.

Statutory profit after tax reduced £16.2 million from £140.2 million to £124.0 million. Adjusted profit growth was offset by a £24.8 million increase in adjusting items. Adjusting items totalled £38.4 million, of which £36.9 million are EBIT-related (year ended 30 September 2022: £13.6 million). The largest part of the non-cash items relates to the successful settlement of a case with the trustees of the GB defined benefit pension scheme. This means that pension increases for certain members will increase at RPI. The related adjustment to liabilities, of £20.5 million, is recorded as a one-off past service cost. We also completed a successful pension valuation, which indicated that the scheme is fully funded on a technical provisions basis and is expected to reach self-sufficiency by 31 March 2026, with no additional cash contributions required. Overall, our pension scheme remains very well-funded, and the Trustees and Company ensure high levels of matching between the plan's assets and liabilities to limit funding volatility.

Our cash performance remained robust, with free cash flow of £129.8 million, driven by a continued focus on cash management. Consequently, our adjusted net debt/EBITDA ratio remained flat at 1.9x, the lowest year end leverage since 2015. The full year dividend equates to 30.8p per share, which represents a year-on-year increase of 6.2%, maintaining our 50% pay-out ratio. In addition, we continued the share buyback programme, with shares to the value of £73.7 million repurchased and subsequently cancelled in our financial year 2023.

Below is a summary of the segmental performance and explanatory notes related to items including taxation, interest and free cash flow generation.

Great Britain

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate
Volume (million litres)	1,750.2	1,790.8	(2.3)%
Average Realised Price (ARP) per litre	67.9p	61.4p	10.6%
Revenue	1,187.7	1,100.4	7.9%
Brand contribution	479.6	426.0	12.6%
Brand contribution margin	40.4%	38.7%	170bps

In Great Britain, revenue increased by 7.9%, with ARP growth of 10.6% partly offset by a modest volume decline of 2.3%. The volume decline was primarily driven by a softer fourth quarter performance, reflecting a tough comparable from the hot summer last year and the disappointing weather across this year's summer. The ARP growth resulted from the actions taken during the year to mitigate cost inflation, including implementing price increases, optimising promotional activity and brand/channel mix. Revenue increased across both the retail and hospitality channels, up 7.2% and 8.9% respectively. Consequently, brand contribution increased 12.6% and brand contribution margin increased 170bps.

Both our owned-brand and PepsiCo portfolios were in growth. Pepsi, led by MAX, and Tango were the major growth drivers, with revenue increasing 7.7% and 20.7% respectively. J2O, Fruit Shoot and Lipton also enjoyed strong growth and we delivered significant acceleration in London Essence, Plenish and Aqua Libra, where we are investing to realise the long-term future growth potential in these fast-growing spaces. Robinsons growth was led by the ready to drink pack format, while the flavour concentrates pack format was broadly flat. Up to quarter three, Robinsons was in strong growth, before the poor summer weather heavily impacted the category, which underperformed total soft drinks. While Rockstar continued to be a drag on performance, we did deliver a significant improvement in the second half of the year, following the upweighting of marketing activity and field sales resource. Full year revenue declined over 19%, compared to a 25% decline in the first half, with a sequential improvement into quarter four.

Brazil

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Volume (million litres)	296.5	299.3	(0.9)%	(0.9)%
Average Realised Price (ARP) per litre	52.7p	47.8p	10.3%	1.0%
Revenue	156.2	143.0	9.2%	-
Brand contribution*	36.2	32.4	11.6%	2.2%
Brand contribution margin*	23.2%	22.7%	50bps	50bps

* Brand contribution for the year ended 30 September 2022 restated by £9.7 million from £22.7 million to £32.4 million to correctly present certain costs that are fixed in nature (see fixed costs below). Brand contribution margin for the year ended 30 September 2022 adjusted accordingly from 15.9% to 22.7%.

In Brazil, revenue was flat, on a constant currency basis, with volume down 0.9%. This was due to the weaker performance of the fruit processing business known as 'Be Ingredient', where revenue was down over 60%, reflecting the impact of poor weather on crop yields and a competitive trading environment. The brand portfolio generated strong growth across our scale brands of Maguary, Dafruta and Bela Ischia. Ready to drink pack format revenue increased 10.2% and flavour concentrates revenue increased 8.7%. Recent brand launches now account for over 30% of total revenue, with Fruit Shoot increasing 56.8% this year, Seleção grape juice +38.0% and Natural Tea +46.8%.

Other International	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	Adjusted % change constant exchange rate
Volume (million litres)	416.5	428.0	(2.7)%	(2.7)%
Average Realised Price (ARP) per litre	97.2p	87.6p	11.0%	8.6%
Revenue	404.7	374.9	7.9%	5.7%
Brand contribution	99.6	107.0	(6.9)%	(8.7)%
Brand contribution margin	24.6%	28.5%	(390)bps	(390)bps

Note: Other International consists of France, Ireland, and other international markets. Volumes and ARP include own-brand soft drinks sales and third-party product sales included within total revenue and brand contribution. Concentrate sales are included in both revenue and ARP but do not have any associated volume.

In Ireland, revenue increased 9.4%, driven by both volume and ARP growth. Scale brands in revenue growth were Pepsi +18.2%, 7UP +9.4%, MiWadi +9.8% and Ballygowan +14.8%. Last year's highly successful Ballygowan Hint of Fruit innovation increased revenue by a further 88.3%. In France, revenue marginally increased, by 0.5%. Trading continued to be challenging; although we realised substantial price increases, they were still insufficient to fully offset inflation, and were made worse by adverse mix, as the branded portfolio of Teisseire, Moulin de Valdonne, Pressade and Fruit Shoot all declined, offset by growth in private label syrups, which are materially lower margin than their branded equivalents. In other markets, we delivered growth across various sub-channels, including other European markets, the travel sector, and Asia.

Fixed costs – pre-adjusting items	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m	% change actual exchange rate	% change like for like at constant exchange rate
Non-brand A&P	(11.8)	(10.3)	(14.6)%	(13.5)%
Fixed supply chain*	(145.5)	(135.7)	(7.2)%	(5.6)%
Selling costs	(96.7)	(82.0)	(17.9)%	(16.2)%
Overheads and other	(143.0)	(131.4)	(8.8)%	(7.8)%
Total	(397.0)	(359.4)	(10.4)%	(9.0)%
Total A&P investment	*(67.0)*	*(61.7)*		
A&P as a % of own brand revenue	*3.8%*	*3.8%*		

* Fixed supply chain costs for the year ended 30 September 2022 restated by £9.7 million from £126.0 million to £135.7 million to correctly present Brazil costs that are fixed in nature.

Overall, our fixed cost base increased 9.0% on a like-for-like basis, due to inflationary cost pressure and investment in our future growth drivers. Total A&P was £5.3 million higher year on year, as we continued to increase investment in our brands. Fixed supply chain investment during the period included increased production capacity, adding a new can line in Great Britain and additional capacity in Brazil. The additional capacity in Great Britain enabled savings in third-party co-packing costs. These savings were largely offset by increased spend on packaging recovery notes (PRNs), certificates that provide evidence that waste packaging material has been recycled.

Selling costs increased as we invested in additional field sales resource to support our channel growth strategy. Overheads and other costs increased as we invested in our people costs, reflecting investment in both additional resources and remuneration, to retain and recruit the best talent. We adopted a tiered approach to salary increases, ensuring that those on lower salaries received a higher percentage increase, in recognition of the increased costs of living.

Interest

The net finance charge for the year ended 30 September 2023 is £24.7 million, compared with £17.3 million in the comparative year, primarily due to higher cost of borrowing on floating rate debt.

Adjusting items – pre-tax

In the year, the Group incurred, and has separately disclosed, a net charge of £38.4 million of pre-tax adjusting items, of which £36.9 million was EBIT-related (2022: £13.6 million). Adjusting items comprise:

EBIT-related

- £20.5 million in relation to past pension service cost on the Great Britain defined benefit scheme, resulting from an amendment to the scheme rules. This amendment followed the settlement of the legal case between the Company and trustees relating to inflationary pension increases;
- Strategic restructuring costs of £5.2 million, predominantly in relation to redundancy costs from operating changes to provide additional production capacity in Ireland;
- Strategic M&A costs of £2.4 million, in relation to the acquisition costs of Jimmy's Iced Coffee, energy brand Extra Power in Brazil, and other M&A in the year that did not complete;
- £0.5 million in relation to costs for the setup of the deposit return scheme (DRS) in Ireland;
- Acquisition-related amortisation of £8.3 million.

Interest-related

- £1.5 million relating to hedge ineffectiveness on private placement loan hedging.

Taxation

The adjusted tax charge was £38.5 million (2022: £36.1 million), which equates to an effective tax rate of 20.6% (2022: 20.0%). The statutory net tax charge was £32.8 million (2022: £34.9 million), which equates to an effective tax rate of 20.9% (2022: 19.9%).

Earnings per share (EPS)

Adjusted basic EPS for the year was 61.0p, an increase of 6.5% on the prior year, due to higher operating profits and the impact of a lower number of shares in issue following the share buyback. Basic EPS for the period was 48.3 pence, a decrease of 8.2% on last year, while diluted EPS for the period was 47.9 pence, a decrease of 8.8% on the same period last year. This was due to the impact of adjusting items, which were primarily non-cash.

Dividends

The Board is declaring a final dividend of 22.6p per share, with a total value of £57.4 million, resulting in a full year dividend of 30.8p (£78.4 million). This is in line with our stated 50% pay-out ratio. The final dividend for 2023 will be paid on 7 February 2024 to shareholders on record as of 22 December 2023. The ex-dividend date is 21 December 2023.

Share buyback programme

In May 2022, the company started an initial share buyback programme to repurchase ordinary shares with a market value of up to £75 million. The purpose of the programme was to reduce share capital and, accordingly, the shares repurchased are subsequently cancelled. During the year ended 30 September 2023, the company completed the initial share buyback.

In May 2023, the Board approved a second £75 million share buyback programme to be executed over the period to 30 April 2024. Excluding transaction costs, the company has returned £74.8 million to shareholders via the buyback programmes during the year ended 30 September 2023. There remains £37.6 million of the second share buyback to be executed during the forthcoming financial year.

In the context of Britvic's expected free cash flow and its capital requirements over the next three years, the Board believes it is appropriate to complete the current share buyback. Britvic will continue to review the balance sheet on a regular basis, to assess its strength in the context of the company's growth ambitions. The dividend policy remains unchanged.

Free cash flow

Free cash flow (defined as cash generated from operating activities, plus proceeds from sale of property, plant and equipment, less capital expenditure, interest and repayment of lease liabilities) was an inflow of £129.8 million, compared with £128.8 million in the previous year.

Net cash flow from operating activities was broadly flat at £238.4 million, compared to £239.6 million in the previous year. There was a working capital outflow of £16.6 million (2022: £1.3 million outflow), comprising an outflow from increases in inventory of £37.8 million (2022: £26.0 million outflow) and an outflow from decreases in provisions of £0.9 million (2022: £3.2 million outflow), offset by an inflow from increases in trade and other payables of £5.8 million (2022: £84.3 million inflow) and an inflow from decreases in trade and other receivables of £16.3 million (2022: £56.4 million outflow).

The inflow in trade and other payables was due to continued disciplined cash management throughout the year. The outflow in inventories, which were up year on year, is due to inflation and an increased level of both raw materials and finished goods stock, both to protect our customer service levels across the Group and following softer quarter four volumes.

Net income taxes paid in the year were £21.9 million (12 months ended 30 September 2022: £18.4 million). Cash capital expenditure was £77.9 million (2022: £84.6 million).

Impairment testing

Impairment reviews of goodwill and intangible assets with indefinite lives are undertaken by management annually. Recoverable amounts are calculated in line with accounting standards at the higher of value in use and fair value. During the current year there has been no impairment to goodwill or intangible assets with indefinite lives. Further details will be provided in the Annual Report and Accounts.

Treasury management

The financial risks faced by the Group are identified and managed by a central treasury department, whose activities are carried out in accordance with Board approved policies and subject to regular Audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates, foreign exchange rates and commodities, while managing the Group's debt and liquidity profile. The Group uses financial instruments to hedge against raw materials, interest rate and foreign currency exposures.

On 30 September 2023, the Group had £932.5 million of committed debt facilities, consisting of a £400.0 million bank facility, of which £44.7 million was drawn, and a series of private placement notes, with maturities between February 2024 and May 2035. A one-year extension to the maturity of the Group's £400.0 million bank facility was approved by six of the seven lenders in February 2022, extending the maturity of £366.7 million of this facility to February 2027. The remaining £33.3 million will mature in February 2025. The next maturity for the company's private placement notes is in February 2024, when notes with outstanding principal amounts of US$39.0 million and £15.0 million will be due for repayment.

On 30 September 2023, the Group's adjusted net debt, including the impact of cross currency swaps hedging the private placement notes, was £538.1 million, which compares with £474.8 million at 30 September 2023. Adjusted net debt to EBITDA leverage at 30 September 2023 was 1.9x, maintaining the same level as at 30 September 2022.

The Group uses derivative financial instruments to hedge its exposure to movements in interest rates, foreign exchange rates and commodity prices. At 30 September 2023, the Group's balance sheet included derivatives with a net fair value of £24.8 million (2022: £73.2 million), comprising cross currency swaps of £22.3 million (2022: £41.9 million), forward currency contracts of £0.2 million (2022: £3.1 million), interest rate swaps of £2.4 million (2022: £3.4 million and commodity swaps liabilities of £0.1 million (2022: £24.8 million). The decrease in fair value compared to 30 September 2022 is driven by settlements during the year and fair value decreases linked to the appreciation of sterling against the dollar and falling gas and power commodity prices.

Acquisitions and disposals

The Group paid cash of £24.8 million (net of cash acquired) to acquire Jimmy's Iced Coffee and consolidated this business in its financial statements from 1 August 2023. The Group also announced an acquisition in Brazil, which includes the Extra Power energy brand. This acquisition completed after the year-end, resulting in a cash out flow equivalent to £24.0 million in October 2023 (net of derivatives hedging this transaction).

At 30 September 2023, the Norwich production site remains classified as held for sale in the balance sheet at its historical cost of £16.8 million. Contracts have been exchanged for the sale, however completion remains subject to conditions precedent, including certain planning consents being obtained by the buyer. The sale is expected to complete by October 2024.

Pensions

At 30 September 2023, the Group had IAS 19 defined benefit pension surpluses in Great Britain, Ireland and Northern Ireland totalling £74.0 million and IAS 19 pension deficits in France totalling £1.4 million, resulting in a net pension surplus of £72.6 million (30 September 2022: net surplus of £137.5 million). The decrease in the net pension assets primarily relates to the Great Britain scheme, where there has been a net remeasurement loss recognised through the statement of comprehensive income of £48.9 million and a past service cost recognised through the income statement of £20.5 million.

The Group has recognised a net defined benefit pension expense of £15.2 million in the income statement for the year ended 30 September 2023 (2022: net income of £1.5 million). This includes a £20.5 million past service cost for the Great Britain scheme, presented within adjusting items, which has arisen following an amendment to the scheme rules in relation to pension increases. The amendment has clarified that the Group does not have the power to set alternative rates of pension increases and that certain annual increases will be based on the RPI measure of inflation. The previous valuation at 30 September 2022 was based on the assumption that that certain members would receive pension increases based on the CPI measure of inflation, which is lower than RPI. As a result, the IAS 19 surplus has decreased. This amendment to the Great Britain pension scheme does not result in any cash impact for the Group. The triennial valuation as of 31 March 2022 was finalised in April 2023 and did not result in any change to the schedule of contributions.

The defined benefit section of the Great Britain plan was closed to new members on 1 August 2002 and closed to future accrual for active members from 1 April 2011, with new employees being invited to join the defined contribution scheme. The Northern Ireland scheme was closed to new members on 28 February 2006 and future accrual from 31 December 2018, and new employees are eligible to join the defined contribution scheme. All new employees in Ireland join the defined contribution plan.

Contributions are ordinarily paid into the defined benefit section of the Plan as determined by the Trustee, agreed by the company and certified by an independent actuary in the Schedule of Contributions. No deficit funding payments were paid during the year except for the £5.0 million pension funding partnership payment which will continue annually until 2025.

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Revenue	4	1,748.6	1,618.3
Cost of sales		(1,049.1)	(952.4)
Gross profit		**699.5**	**665.9**
Selling and distribution expenses		(271.1)	(266.8)
Administration expenses		(246.9)	(206.7)
Operating profit		**181.5**	**192.4**
Finance income		1.1	0.9
Finance costs		(25.8)	(18.2)
Profit before tax		**156.8**	**175.1**
Income tax expense	5	(32.8)	(34.9)
Profit for the year attributable to the equity shareholders		**124.0**	**140.2**
Earnings per share			
Basic earnings per share	6	48.3p	52.6p
Diluted earnings per share	6	47.9p	52.5p

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Profit for the year attributable to the equity shareholders	**124.0**	**140.2**
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss		
Remeasurement losses on defined benefit pension plans	(55.5)	(2.1)
Current tax on pension contributions	–	0.1
Deferred tax on defined benefit pension plans	13.4	2.3
	(42.1)	**0.3**
Items that may be subsequently reclassified to profit or loss		
(Losses)/gains in respect of cash flow hedges	(34.3)	56.6
Amounts reclassified to the income statement in respect of cash flow hedges	(4.6)	(23.8)
Current tax in respect of cash flow hedges accounted for in the hedging reserve	(0.2)	0.5
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	7.3	(6.8)
Exchange differences reclassified to profit or loss on disposal of foreign operations	(0.3)	(0.8)
Exchange differences on translation of foreign operations	(3.4)	28.9
Tax on exchange differences accounted for in the translation reserve	(0.6)	0.5
	(36.1)	**55.1**
Other comprehensive (loss)/income for the year, net of tax	**(78.2)**	**55.4**
Total comprehensive income for the year attributable to the equity shareholders	**45.8**	**195.6**

CONSOLIDATED BALANCE SHEET

	Note	30 September 2023 £m	Restated* 30 September 2022 £m	Restated* 1 October 2021 £m
Non-current assets				
Property, plant and equipment		535.3	513.9	472.4
Right-of-use assets		61.1	68.7	71.7
Goodwill and intangible assets		434.3	416.4	406.5
Other receivables		8.1	6.0	5.8
Derivative financial instruments	9	16.0	45.9	22.2
Deferred tax assets		4.2	4.4	4.0
Retirement benefit assets		74.0	138.9	141.2
		1,133.0	**1,194.2**	**1,123.8**
Current assets				
Inventories		209.8	172.0	135.0
Trade and other receivables		425.6	445.2	376.1
Current income tax receivables		5.3	10.9	7.2
Derivative financial instruments	9	17.4	38.9	4.0
Interest-bearing deposits		10.9	11.5	–
Cash and cash equivalents		79.2	85.9	97.1
Other current assets		–	3.1	–
		748.2	767.5	619.4
Assets held for sale		16.8	16.8	16.8
		765.0	**784.3**	**636.2**
Total assets		**1,898.0**	**1,978.5**	**1,760.0**
Current liabilities				
Trade and other payables		(533.6)	(508.8)	(417.8)
Commercial rebate liabilities		(123.3)	(137.0)	(122.3)
Lease liabilities		(7.5)	(8.6)	(8.9)
Interest-bearing loans and borrowings	8	(50.9)	(42.2)	(2.2)
Derivative financial instruments	9	(8.3)	(11.2)	(1.4)
Current income tax liabilities		(0.1)	(0.2)	(1.4)
Overdrafts		(48.9)	(9.8)	(26.0)
Provisions		(0.7)	(1.9)	(5.3)
Other current liabilities		(8.4)	(11.1)	(5.5)
		(781.7)	**(730.8)**	**(590.8)**
Non-current liabilities				
Lease liabilities		(59.8)	(65.3)	(66.2)
Interest-bearing loans and deposits	8	(551.0)	(563.1)	(576.9)
Deferred tax liabilities		(111.1)	(123.1)	(98.5)
Retirement benefit obligations		(1.4)	(1.4)	(9.6)
Derivative financial instruments	9	(0.3)	(0.4)	(0.6)
Provisions		(1.0)	(0.9)	(0.5)
Other non-current liabilities		–	(5.5)	(6.2)
		(724.6)	**(759.7)**	**(758.5)**
Total liabilities		**(1,506.3)**	**(1,490.5)**	**(1,349.3)**
Net assets		**391.7**	**488.0**	**410.7**

	Note	30 September 2023 £m	Restated* 30 September 2022 £m	Restated* 1 October 2021 £m
Equity				
Issued share capital	10	50.9	52.7	53.5
Share premium account		157.2	157.2	156.2
Own shares reserve	10	(21.4)	(7.2)	(1.5)
Other reserves		78.8	106.0	53.7
Retained earnings		126.2	179.3	148.8
Total equity		**391.7**	**488.0**	**410.7**

* Comparative figures for interest-bearing deposits, overdrafts and cash and cash equivalents have been restated as set out in Note 2.

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2023. They were signed on its behalf by:

Simon Litherland
Chief Executive Officer

Rebecca Napier
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 30 September 2023 £m	Restated* Year ended 30 September 2022 £m
Cash flows from operating activities			
Profit before tax		156.8	175.1
Net finance costs		24.7	17.3
Other financial instruments		(0.6)	0.8
Depreciation of property, plant and equipment		44.8	40.9
Depreciation of right-of-use assets		10.1	10.9
Amortisation		15.6	15.6
Loss on disposal of property, plant and equipment and intangible assets		3.2	0.9
Impairment of property, plant and equipment		3.8	–
Share-based payments charge		9.3	4.2
Net pension charge less contributions		9.4	(7.6)
Net foreign exchange differences		0.1	2.0
Exchange differences reclassified to profit or loss from other comprehensive income		(0.3)	(0.8)
Increase in inventories		(37.8)	(26.0)
Decrease/(increase) in trade and other receivables		16.3	(56.4)
Increase in trade, other payables and commercial rebate liabilities		5.8	84.3
Decrease in provisions		(0.9)	(3.2)
Income tax paid		(21.9)	(18.4)
Net cash flows from operating activities		**238.4**	**239.6**
Cash flows from investing activities			
Purchases of property, plant and equipment		(69.8)	(72.9)
Government grants towards purchase of equipment		1.3	–
Purchases of intangible assets		(8.1)	(11.7)
Investments in interest-bearing deposits		(11.2)	(11.8)
Proceeds from interest-bearing deposits		11.8	0.3
Interest received		0.5	0.2
Acquisition of subsidiaries, net of cash acquired		(24.8)	–
Net cash flows used in investing activities		**(100.3)**	**(95.9)**
Cash flows from financing activities			
Interest paid, net of related derivative financial instruments		(21.1)	(14.8)
Net movement on revolving credit facility		45.5	–
Repayment of other loans	8	(1.9)	–
Payment of principal portion of lease liabilities		(9.0)	(9.3)
Payment of interest portion of lease liabilities		(1.9)	(2.1)
Repayment of private placement notes, net of related derivative financial instruments	8	(27.8)	–
Other net derivative cashflows		(0.2)	(0.8)
Issue costs paid	8	–	(0.3)
Proceeds from employee share incentive schemes		2.3	1.0
Purchase of own shares related to share schemes		(20.3)	(9.0)
Share buyback programme		(73.7)	(36.7)
Dividends paid to equity shareholders		(75.5)	(67.9)
Net cash flows used in financing activities		**(183.6)**	**(139.9)**
Net (decrease)/increase in cash and cash equivalents		**(45.5)**	**3.8**
Cash and cash equivalents at the beginning of the year		76.1	71.1
Net foreign exchange differences on cash and cash equivalents		(0.3)	1.2
Cash and cash equivalents at the end of the year		**30.3**	**76.1**

* Comparative figures restated for reclassification of interest-bearing deposits separate from cash and cash equivalents see note 2.

Presented in the balance sheet as:		
Cash and cash equivalents(1)	**79.2**	85.9
Overdrafts(1)(2)	**(48.9)**	(9.8)
Cash and cash equivalents at the end of the year	**30.3**	76.1

(1) Comparative figures for overdrafts and cash and cash equivalents have been restated as set out in Note 2.
(2) Bank overdrafts are included in the cash and cash equivalents presented in the statement of cash flows because they form an integral part of the Group's cash management.

C O N S O L I D A T E D S T A T E M E N T O F C H A N G E S I N E Q U I T Y

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Other reserves: Capital redemption reserve £m	Other reserves: Hedging reserve £m	Other reserves: Translation reserve £m	Other reserves: Merger reserve £m	Retained earnings £m	Total £m
At 1 October 2021	**53.5**	**156.2**	**(1.5)**	**–**	**4.5**	**(38.1)**	**87.3**	**148.8**	**410.7**
Profit for the year	–	–	–	–	–	–	–	140.2	140.2
Other comprehensive income	–	–	–	–	26.5	28.6	–	0.3	55.4
Total comprehensive income	**–**	**–**	**–**	**–**	**26.5**	**28.6**	**–**	**140.5**	**195.6**
Issue of shares	0.1	1.0	(1.1)	–	–	–	–	–	–
Share buyback programme	(0.9)	–	(1.1)	0.9	–	–	–	(36.7)	(37.8)
Own shares purchased for share schemes	–	–	(9.0)	–	–	–	–	3.2	(5.8)
Own shares utilised for share schemes	–	–	5.5	–	–	–	–	(12.5)	(7.0)
Movement in share-based schemes	–	–	–	–	–	–	–	4.1	4.1
Current tax on share options exercised	–	–	–	–	–	–	–	0.3	0.3
Deferred tax on share options granted to employees	–	–	–	–	–	–	–	(0.5)	(0.5)
Transfer of cash flow hedge reserve to inventories	–	–	–	–	(3.7)	–	–	–	(3.7)
Payment of dividend	–	–	–	–	–	–	–	(67.9)	(67.9)
At 30 September 2022	**52.7**	**157.2**	**(7.2)**	**0.9**	**27.3**	**(9.5)**	**87.3**	**179.3**	**488.0**

	Issued share capital £m	Share premium account £m	Own shares reserve £m	Other reserves: Capital redemption reserve £m	Other reserves: Hedging reserve £m	Other reserves: Translation reserve £m	Other reserves: Merger reserve £m	Retained earnings £m	Total £m
At 1 October 2022	**52.7**	**157.2**	**(7.2)**	**0.9**	**27.3**	**(9.5)**	**87.3**	**179.3**	**488.0**
Profit for the year	–	–	–	–	–	–	–	124.0	124.0
Other comprehensive loss	–	–	–	–	(31.8)	(4.3)	–	(42.1)	(78.2)
Total comprehensive income/ (loss)	**–**	**–**	**–**	**–**	**(31.8)**	**(4.3)**	**–**	**81.9**	**45.8**
Share buyback programme	(1.8)	–	(1.7)	1.8	–	–	–	(73.7)	(75.4)
Own shares purchased for share schemes	–	–	(20.1)	–	–	–	–	9.8	(10.3)
Own shares utilised for share schemes	–	–	7.6	–	–	–	–	(5.3)	2.3
Movement in share-based schemes	–	–	–	–	–	–	–	9.3	9.3
Current tax on share-based payments	–	–	–	–	–	–	–	0.2	0.2
Deferred tax on share-based payments	–	–	–	–	–	–	–	0.2	0.2
Transfer of cash flow hedge reserve to inventories	–	–	–	–	7.1	–	–	–	7.1
Payment of dividend	–	–	–	–	–	–	–	(75.5)	(75.5)
At 30 September 2023	**50.9**	**157.2**	**(21.4)**	**2.7**	**2.6**	**(13.8)**	**87.3**	**126.2**	**391.7**

N O T E S T O T H E C O N S O L I D A T E D F I N A N C I A L S T A T E M E N T S

1. General information
The preliminary consolidated financial information was authorised for issue by the Board of Directors on 21 November 2023.

The preliminary consolidated financial information for the year ended 30 September 2023 has been prepared in accordance with the Companies Act 2006 and UK-adopted international accounting standards. The preliminary consolidated financial information does not constitute statutory consolidated financial statements as defined by section 434 of the Companies Act 2006.

The Annual Report and Accounts for the year ended 30 September 2023 was approved by the board on 21 November 2023. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The Annual Report and Accounts for 2023 will be filed with the Registrar of Companies in due course.

The Annual Report and Accounts for the year ended 30 September 2022 was approved by the board on 22 November 2022 and has been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. Accounting policies
The accounting policies applied by the Group for the year ended 30 September 2023 are consistent with those applied by the Group in its financial statements for the year ended 30 September 2022. There were no new amendments, standards or interpretations that had a material effect on the financial position or performance of the Group in the period.

The Group has not identified any changes to its key sources of accounting judgements or estimations of uncertainty compared with those disclosed in the 2022 Annual Report and Accounts.

Restatement of overdrafts and cash and cash equivalents
The Group has identified that the balance sheet presentation of its notional cash pooling arrangements did not comply with the requirements of IAS 32 'Financial Instruments: Presentation'. The Group has previously presented cash and overdraft balances subject to notional cash pooling arrangements on a net basis within cash and cash equivalents. However, following a review of this facility and guidance issued by the IFRS Interpretations Committee, it was determined that the balances did not meet all of the criteria in IAS 32 for offset. The prior period balance sheets have therefore been restated to show cash and overdraft balances on a gross basis. The impact is to increase both cash and cash equivalents and overdrafts by £9.8m at 30 September 2022 and by £26.0m at 30 September 2021. There is no impact to the Group's net debt position, income statement or earnings per share for the affected periods. There is also no impact on the previously presented statement of cash flows, as the overdrafts are repayable on demand and form an integral part of the Group's cash management and are therefore included in the cash and cash equivalents presented in the statement of cash flows.

The above prior period misstatement came to the company's attention when responding to an enquiry from the Corporate Reporting Review team at the Financial Reporting Council (the FRC). The FRC carried out a review of the Britvic Annual Report and Accounts 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The FRC requests that in disclosing this engagement we note the limitations of their review, namely that it was based solely on their reading of the annual report and accounts and did not benefit from a detailed knowledge of our business or an understanding of the underlying transactions entered into. They also noted that their review provided no assurance that the annual report and accounts are correct in all material respects and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

The Group places surplus cash on deposit with banks to earn a fixed rate of interest over the maturity period, and these deposits have historically been presented within cash and cash equivalents. Following a review of deposit terms, the Group has identified that £11.5m of deposits held at 30 September 2022 did not meet the definition of cash and cash equivalents in IAS 7 'Statement of Cash Flows', as the deposits were not held for the purpose of meeting short-term cash commitments and had contractual maturities in excess of three months. The prior period balance sheet has therefore been restated to show such interest-bearing deposits separately within current assets. There is no impact to the Group's net debt position. The value of cash and cash equivalents shown in the statement of cash flows at 30 September 2022 has been restated to exclude the £11.5m of deposits held, and new lines for "investments in interest-bearing deposits" and "proceeds from interest-bearing deposits" have been included within net cash flows used in investing activities.

The below table reconciles the restated balances to those previously reported.

30 September 2022	As reported £m	Overdrafts subject to pooling arrangements £m	Deposits previously included in cash and cash equivalents £m	Restated £m
Interest-bearing deposits	-	-	11.5	11.5
Cash and cash equivalents	87.6	9.8	(11.5)	85.9
Current assets	**774.5**	**9.8**	**-**	**784.3**
Total assets	**1,968.7**	**9.8**	**-**	**1,978.5**
Overdrafts	-	(9.8)	-	(9.8)
Current liabilities	**(721.0)**	**(9.8)**	**-**	**(730.8)**
Total liabilities	**(1,480.7)**	**(9.8)**	**-**	**(1,490.5)**
Net assets	**488.0**	**-**	**-**	**488.0**

30 September 2021	As reported £m	Overdrafts subject to pooling arrangements £m	Deposits previously included in cash and cash equivalents £m	Restated £m
Interest-bearing deposits	-	-	-	-
Cash and cash equivalents	71.1	26.0	-	97.1
Current assets	**610.2**	**26.0**	**-**	**636.2**
Total assets	**1,734.0**	**26.0**	**-**	**1,760.0**
Overdrafts	-	(26.0)	-	(26.0)
Current liabilities	**(564.8)**	**(26.0)**	**-**	**(590.8)**
Total liabilities	**(1,323.3)**	**(26.0)**	**-**	**(1,349.3)**
Net assets	**410.7**	**-**	**-**	**410.7**

3. Going concern

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist which could cause significant doubt with respect to this assessment. In making this assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of these financial statements to 30 September 2025. Further details of the Directors' assessment are set out below.

The business has faced the challenges posed by a prolonged period of high inflation and has been able to successfully respond by implementing revenue growth management actions, including price increases, and optimising promotions. As inflation rates stabilise, the level of uncertainty in the cost base of the business has reduced, however the lasting impact of inflation and the ongoing cost of living crisis pose a risk to demand for the Group's products.

As part of the going concern assessment, volume demand scenarios have been combined with the potential impact of key risks that could reasonably arise in the period. The Group has modelled both a base case scenario and a severe but plausible downside scenario, to assess the extent to which mitigating actions would be required, all of which are within management's control. Mitigating actions can be initiated as they relate to discretionary and investment spend, without significantly impacting the ability to meet demand.

At 30 September 2023, the Group was operating within the banking covenants related to its revolving credit facility and private placement notes. The consolidated balance sheet reflects a net asset position of £391.7m and the liquidity of the Group remains strong. In 2022, the Group successfully secured a one-year extension of its £400.0m revolving credit facility with six of the seven participating banks. As a result, £366.7m of this facility now matures in February 2027, with the remaining £33.3m maturing in February 2025. As of 30 September 2023, £44.7m was drawn on the revolving credit facility. The Group's next debt maturity is in February 2024 when £39.2m of private placement notes mature, net of derivative financial instruments. Both the Group's revolving credit facility and private placement notes have a net debt/EBITDA covenant limit of 3.5x, excluding IFRS 16 impact. Based on adjusted net debt of £538.1m and adjusted EBITDA of £276.7m for the preceding 12 months, the adjusted net debt/adjusted EBITDA ratio at 30 September 2023 was 1.9x and well within the covenant limit.

Under all the scenarios modelled, including the impact of the share buyback programme, and after taking available mitigating actions, our forecasts did not indicate a covenant breach or any liquidity shortages.

On the basis of these reviews, the Directors consider it is appropriate for the going concern basis to be adopted in preparing the Annual Report and Accounts.

4. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the plc Executive team and Board of Directors of the company.

For management purposes, the Group is organised into business units and has five reportable segments:

- Great Britain (United Kingdom excluding Northern Ireland)
- Brazil
- Ireland (Republic of Ireland and Northern Ireland)
- France
- International

These business units sell soft drinks into their respective markets. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on brand contribution. This is defined as revenue less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. All other costs, including net finance costs and income taxes, are managed on a centralised basis and are not allocated to reportable segments.

The 'Other International' subtotal comprising the Ireland, France and International reportable segments has been presented to provide linkage to the Chief Financial Officer's Review section of this preliminary results announcement.

			Other International				
Year ended 30 September 2023	**GB**	**Brazil**	**Ireland**	**France**	**International**	**Subtotal**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue from external customers	**1,187.7**	**156.2**	**160.3**	**185.0**	**59.4**	**404.7**	**1,748.6**
Brand contribution	**479.6**	**36.2**	**52.3**	**35.7**	**11.6**	**99.6**	**615.4**
Non-brand advertising and promotion(i)							(11.8)
Fixed supply chain(ii)							(145.5)
Selling costs(ii)							(96.7)
Overheads and other costs(i)							(143.0)
Adjusted EBIT(iii)							**218.4**
Net finance costs pre-adjusting items							(23.2)
Adjusting items(iii)							(38.4)
Profit before tax							**156.8**

Year ended 30 September 2022 (restated [iv])	GB £m	Brazil £m	Other International: Ireland £m	Other International: France £m	Other International: International £m	Other International: Subtotal £m	Total £m
Revenue from external customers	**1,100.4**	**143.0**	**143.9**	**179.4**	**51.6**	**374.9**	**1,618.3**
Brand contribution[iv]	**426.0**	**32.4**	**49.6**	**45.9**	**11.5**	**107.0**	**565.4**
Non-brand advertising and promotion[i]							(10.3)
Fixed supply chain[ii]							(135.7)
Selling costs[ii]							(82.0)
Overheads and other costs[i]							(131.4)
Adjusted EBIT[iii]							**206.0**
Net finance costs pre-adjusting items							(17.3)
Adjusting items[iii]							(13.6)
Profit before tax							**175.1**

(i) Included within 'administration expenses' in the consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and amortisation (excluding acquisition-related amortisation).
(ii) Included within 'selling and distribution costs' in the consolidated income statement.
(iii) See non-GAAP reconciliations at the end of this announcement for further details on adjusting items.
(iv) The Group has restated the classification of certain prior period costs in Brazil within the segmental reporting note. For the year ended 30 September 2022, £9.7m of costs that are fixed in nature previously included within brand contribution have been reclassified to fixed supply chain. There has been no impact of this disclosure change on the consolidated income statement.

5. Income tax

	2023 £m	2022 £m
Current income tax		
Current tax charge	(31.1)	(20.0)
Amounts over provided in previous years	2.5	4.7
Total current tax charge	**(28.6)**	**(15.3)**
Deferred income tax		
Origination and reversal of temporary differences	(3.3)	(16.7)
Impact of change in tax rates	(0.1)	(1.3)
Amounts under provided in previous years	(0.8)	(1.6)
Total deferred tax charge	**(4.2)**	**(19.6)**
Total tax charge in the income statement	**(32.8)**	**(34.9)**

6. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the ordinary equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted earnings per share computations:

	2023	2022
Basic earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Weighted average number of ordinary shares in issue for basic earnings per share	256.9	266.5
Basic earnings per share (pence)	**48.3p**	**52.6p**
Diluted earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Effect of dilutive potential ordinary shares – share schemes	1.9	0.5
Weighted average number of ordinary shares in issue for diluted earnings per share	258.8	267.0
Diluted earnings per share (pence)	**47.9p**	**52.5p**

The Group has granted share options to employees which have the potential to dilute basic earnings per share in the future which have not been included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

7. Dividends paid and proposed

	2023 £m	2022 £m
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend for 2022: 21.2p per share (2021: 17.7p per share)	54.5	47.2
Interim dividend for 2023: 8.2p per share (2022: 7.8p per share)	21.0	20.7
Dividends paid	**75.5**	**67.9**
Proposed		
Final dividend for 2023: 22.6p per share (2022: 21.2p per share)	57.4	55.8

8. Interest-bearing loans and borrowings

	2023 £m	2022 £m
Current		
Private placement notes	(51.1)	(42.9)
Less: unamortised issue costs	0.2	0.7
Total current	**(50.9)**	**(42.2)**
Non-current		
Bank loans	(44.7)	–
Private placement notes	(508.1)	(565.0)
Less: unamortised issue costs	1.8	1.9
Total non-current	**(551.0)**	**(563.1)**
Total interest-bearing loans and borrowings	**(601.9)**	**(605.3)**

Total interest-bearing loans and borrowings comprise the following:

	2023 £m	2022 £m
2010 notes	–	(39.4)
2014 notes	(108.5)	(117.2)
2017 notes	(175.0)	(175.0)
2018 notes	(119.7)	(120.1)
2020 notes	(151.9)	(152.7)
Bank loans	(44.7)	–
Accrued interest	(4.1)	(3.5)
Unamortised issue costs	2.0	2.6
Total interest-bearing loans and borrowings	**(601.9)**	**(605.3)**

Analysis of changes in interest-bearing loans and borrowings:

	2023 £m	2022 £m
At the beginning of the year	(605.3)	(579.1)
Net drawdown on revolving credit facility	(45.5)	–
Other loans acquired	(1.9)	–
Other loans repaid	1.9	–
Repayment of private placement notes*	36.6	–
Issue costs	–	0.3
Amortisation of issue costs and write-off of financing fees	(0.6)	(0.6)
Net translation gain and fair value adjustment	13.5	(25.2)
Accrued interest	(0.6)	(0.7)
At the end of the year	**(601.9)**	**(605.3)**
Derivatives hedging balance sheet debt**	**22.6**	42.9
Debt translated at contracted rate	**(579.3)**	**(562.4)**

* During the year ended 30 September 2023, the Group repaid £36.6m of the 2010 private placement notes. £7.8m was also received on maturity of derivatives hedging the 2010 notes and £1.0m was received in respect of the firm commitment for the 2010 notes, resulting in net cash outflows presented in the consolidated statement of cash flows of £27.8m.

** Represents the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes. This amount has been disclosed separately to demonstrate the impact of foreign exchange movements which are included in interest-bearing loans and borrowings.

9. Derivatives and hedge relationships

	2023 £m	2022 £m
Non-current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	14.0	31.1
Forward currency contracts*	0.1	0.4
Commodity contracts*	1.2	11.0
Interest rate swaps*	0.7	3.4
	16.0	**45.9**
Current assets: derivative financial instruments		
USD GBP cross currency fixed interest rate swaps*	8.3	7.4
USD GBP cross currency floating interest rate swaps**	–	4.4
Forward currency contracts***	–	0.5
Forward currency contracts*	1.1	3.3
Forward currency contracts	0.2	0.2
Commodity contracts*	6.1	11.6
Commodity contracts****	–	11.5
Interest rate swaps*	1.7	–
	17.4	**38.9**
Current liabilities: derivative financial instruments		
Forward currency contracts*	(1.2)	–
Forward currency contracts	–	(1.3)
GBP euro cross currency floating interest rate swaps***	–	(1.0)
Commodity contracts*	(7.1)	(8.2)
Commodity contracts****	–	(0.7)
	(8.3)	**(11.2)**
Non-current liabilities: derivative financial instruments		
Commodity contracts*	(0.3)	(0.4)
	(0.3)	**(0.4)**
Net derivative financial assets	**24.8**	**73.2**

* Instruments designated as part of a cash flow hedge relationship.
** Instruments designated as part of a fair value hedge relationship.
*** Instruments designated as part of a net investment hedge relationship.
**** Instruments for which cash flow hedge accounting has been discontinued.

10. Share capital and own shares reserve

The movements in the company's issued share capital were as follows:

Issued, called up and fully paid ordinary shares	**No. of shares**	**Nominal value £m**
At 1 October 2021	267,314,637	53.5
Shares issued relating to incentive schemes for employees	445,546	0.1
Shares cancelled pursuant to share buyback	(4,459,302)	(0.9)
At 30 September 2022	**263,300,881**	**52.7**
Shares cancelled pursuant to share buyback	(9,032,384)	(1.8)
At 30 September 2023	**254,268,497**	**50.9**

The issued share capital is wholly comprised of ordinary shares carrying one voting right each.

The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

The movements in the company's own shares reserve were as follows:

	Value £m
At 1 October 2021	1.5
Shares issued/purchased for share schemes	10.1
Shares used to satisfy share schemes	(5.5)
Shares purchased pursuant to share buyback	37.7
Shares cancelled pursuant to share buyback	(36.6)
At 30 September 2022	**7.2**
Shares issued/purchased for share schemes	20.1
Shares used to satisfy share schemes	(7.6)
Shares purchased pursuant to share buyback	74.8
Shares cancelled pursuant to share buyback	(73.1)
At 30 September 2023	**21.4**

The own shares reserve represents shares in the company purchased from the market and held by an employee benefit trust to satisfy share awards under the Group's share schemes as well as shares purchased for cancellation as part of the share buyback programme (see below). Shares purchased for cancellation are included in the own shares reserve until cancellation, at which point the consideration paid is transferred to retained earnings and the nominal value of the shares is transferred from share capital to the capital redemption reserve.

Share buyback programme

On 23 May 2022, the company commenced a share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The purpose of the programme was to reduce the company's share capital and therefore the shares purchased pursuant to the programme were subsequently cancelled. The programme took place within the limitations of the authority granted to the Board at the company's Annual General Meeting held on 27 January 2022, pursuant to which the maximum number of shares that could be bought back by the company is 26,736,653. During the year ended 30 September 2023, the company purchased 5,015,350 ordinary shares under the programme (2022: 4,612,302) at an average price of 769.0p per share (2022: 816.4p) and an aggregate cost of £37.6m including £0.2m of transaction costs (2022: £37.8m including £0.1m of transaction costs).

On 24 May 2023, the Company commenced a second share buyback programme to repurchase ordinary shares with a market value of up to £75.0m. The programme takes place within the limitations of the authority granted to the Board at the Company's last annual general meeting, held on 26 January 2023, pursuant to which the maximum number of shares that can be bought back by the Company is 26,081,857. During the year ended 30 September 2023, the company purchased 4,327,964 ordinary shares under the programme at an average price of 865.0p per share and an aggregate cost of £37.5m (including £0.1m of transaction costs).

11. Acquisitions

Acquisition of Jimmy's Iced Coffee Limited

On 1 August 2023, the Group acquired 100% of the issued share capital of Jimmy's Iced Coffee Limited (Jimmy's), obtaining control of the entity. Jimmy's was founded in 2011 and is a small but established ready to drink (RTD) iced coffee business based on the south coast of England. Jimmy's is the fastest growing RTD iced coffee brand in the UK. The Jimmy's brand gives Britvic access to a fast-growing category and is directly aligned to the Group's strategic priorities of Accessing New Spaces and Healthier People, Healthier Planet.

Jimmy's contributed £2.2m of net revenue and a loss of £0.3m to the Group's profit after tax for the period between the date of acquisition and the balance sheet date.

If the acquisition of Jimmy's had been completed on the first day of the financial year, Group revenues for the year would have been £1,757.5m and the Group profit after tax would have been £122.4m.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Jimmy's at the date of acquisition were as follows:

Assets	**£m**
Intangible assets: trademark	19.6
Property, plant and equipment	0.1
Leased assets	0.1
Inventories	1.4
Trade and other receivables	2.8
Cash and cash equivalents	0.1
Total assets	**24.1**
Liabilities	
Trade and other payables	(2.2)
Lease liabilities – current	-
Lease liabilities – non current	(0.1)
Interest-bearing loans and borrowings	(1.9)
Deferred tax liabilities	(4.9)
Total liabilities	**(9.1)**
Total identifiable net assets at fair value	**15.0**
Goodwill arising on acquisition	9.9
Purchase consideration	**24.9**

The goodwill arising on acquisition of £9.9m has been allocated entirely to the GB operating segment given the current business operations are GB focussed.

The key constituent parts of goodwill comprise mainly the potential for further strategic growth relating to new products/categories, international expansion, and efficiency gains; and the replacement cost of Jimmy's workforce. Jimmy's workforce is not separately capitalised on the balance sheet under IFRS but is a component of goodwill.

The trademark for the Jimmy's brand, recognised within intangible assets, has been allocated a useful economic life of 10 years.

The fair value of the financial assets includes trade receivables with a fair value of £2.5m and a gross contractual value of £2.5m. The best estimate at acquisition date of the contractual cash flows not expected to be collected is £nil.

Purchase consideration
The fair value of the purchase consideration at the acquisition date comprised the following:

	1 August 2023 £m
Cash	24.9
Purchase consideration	**24.9**

The net cash outflow on acquisition was £24.8m, comprising the above purchase consideration of £24.9m less £0.1m of cash acquired.

12. Events after the reporting period

Acquisition in Brazil
On 2 October 2023, the Group acquired 100% of the issued share capital of GlobalBev Comércio de Bebidas Ltda. This comprised of all the voting equity interests and resulted in the Group obtaining control of the entity. The acquired entity owns the Extra Power energy drink brand as well as the energy brand Flying Horse, the juice brand Juxx and the acai smoothie brand Amazoo. Collectively, this acquisition in Brazil enables the Group to expand its brand portfolio and regional footprint. The acquisition marks an important extension of Britvic's Brazilian operations, consistent with the Group's strategy to accelerate and expand its presence across Brazil. The Group expects to disclose the fair value of the net assets acquired, the fair value of the consideration payable and the goodwill arising on the acquisition in its financial statements for the 2024 financial year.

N O N - G A A P   R E C O N C I L I A T I O N S

Adjusting items

In addition to statutory financial measures, the Group uses certain alternative performance measures (APMs) which are not defined by adopted IFRS to assess the operating performance and financial position of the Group. These APMs exclude certain items, referred to as adjusting items, which are not incurred in the ordinary course of business due to their size, frequency and nature. These APMs are intended to provide additional useful information on trading performance to the users of the Financial Statements and are not intended to be a substitute for IFRS measures.

For the year ended 30 September 2023 these items primarily relate to pension past service costs, amortisation of acquisition related intangibles, strategic M&A activity and hedge ineffectiveness on private placement loan hedging.

Adjusted KPIs are used to measure the underlying profitability of the Group and enable comparison of performance against peers. They are also used in the calculation of short and long-term reward schemes.

	Notes	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Implementation of SaaS accounting guidance	(a)	**–**	(7.5)
Strategic restructuring – business capability programme	(b)	**(0.9)**	(0.5)
Strategic restructuring – organisational capability transformation	(c)	**(4.3)**	1.5
Credits in relation to the acquisition and integration of subsidiaries	(d)	–	0.3
Strategic M&A activity	(e)	**(2.4)**	1.0
Deposit and Return Scheme set-up costs in Ireland	(f)	**(0.5)**	–
Pension scheme costs	(g)	**(20.5)**	–
Acquisition-related amortisation	(h)	**(8.3)**	(8.4)
Total included in operating profit		**(36.9)**	(13.6)
Ineffectiveness on cash flow hedges related to debt	(i)	**(1.5)**	–
Total included in finance costs		**(1.5)**	–
Total adjusting items pre-tax		**(38.4)**	(13.6)
Tax on adjusting items included in profit before tax		**5.7**	1.2
Net adjusting items		**(32.7)**	(12.4)

(a) In FY22, a change in accounting policy was implemented in relation to customisation and configuration costs of SaaS: due to the change in policy, these costs were presented as adjusting items. In FY23 the costs have been recorded in underlying performance as the costs now form part of normal business activity.

(b) 'Strategic restructuring – business capability programme' relates to a restructuring of supply chain and the operating model across the Group, initiated in 2016. Costs in the period of £0.9m relate to the closure of the Norwich site and are primarily site running costs. FY22 costs were a similar nature.

(c) 'Strategic restructuring – organisational capability transformation' in the year primarily relates to redundancy costs in relation to additional production capacity within Kylemore in Ireland. The prior year relates to the release of contract termination costs in relation to the closure of the Counterpoint business.

(d) FY22 included the release of provisions for Bela Ischia Alimentos Ltda (Bela Ischia) and Empresa Brasileira de Bebidas e Alimentos SA (Ebba) which have been fully utilised.

(e) Costs associated with acquiring Jimmy's Iced Coffee Ltd and GlobalBev Comércio de Bebidas Ltda (Extra Power) as well as aborted M&A costs. FY22 related to remeasurement and utilisation of historic provisions.

(f) Costs for the setup of the deposit return scheme (DRS) in Ireland.

(g) Pension scheme costs of £20.5m comprise past service costs on the GB defined benefit pension scheme resulting from an amendment to the scheme rules related to pension increases.

(h) Acquisition-related amortisation relates to the amortisation of intangibles recognised on acquisitions in Britvic Ireland, Britvic France, Britvic Brazil, Aqua Libra Co, Plenish and Jimmy's Iced Coffee.

(i) Ineffectiveness on cash flow hedges relate to hedge ineffectiveness on private placement loan hedging.

Adjusted profit

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Operating profit as reported	181.5	192.4
Add back: adjusting items in operating profit	36.9	13.6
Adjusted EBIT	**218.4**	**206.0**
Net finance costs	(24.7)	(17.3)
Add back: adjusting net finance costs	1.5	-
Adjusted profit before tax and acquisition-related amortisation	**195.2**	**188.7**
Acquisition-related amortisation	(8.3)	(8.4)
Adjusted profit before tax	**186.9**	**180.3**
Taxation	(32.8)	(34.9)
Less: adjusting tax credit	(5.7)	(1.2)
Adjusted tax	**(38.5)**	**(36.1)**
Adjusted profit after tax	**148.4**	**144.2**
Adjusted effective tax rate	**20.6%**	**20.0%**

Adjusted earnings per share

	2023	2022
Adjusted earnings per share		
Profit for the year attributable to equity shareholders (£m)	124.0	140.2
Add: net impact of adjusting items (£m)	32.7	12.4
Adjusted earnings (£m)	156.7	152.6
Weighted average number of ordinary shares in issue for basic earnings per share	256.9	266.5
Adjusted earnings per share (pence)	**61.0p**	**57.3p**
Adjusted diluted earnings per share		
Adjusted earnings (£m)	156.7	152.6
Effect of dilutive potential ordinary shares – share schemes (m)	1.9	0.5
Weighted average number of ordinary shares in issue for diluted earnings per share	258.8	267.0
Adjusted diluted earnings per share (pence)	**60.5p**	**57.2p**

Free cash flow

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Net cash flows from operating activities	238.4	239.6
Purchases of property, plant and equipment (net of government grants)	(68.5)	(72.9)
Purchases of intangible assets	(8.1)	(11.7)
Interest paid, net of derivative financial instruments	(21.1)	(14.8)
Repayment of principal portion of lease liabilities	(9.0)	(9.3)
Repayment of interest portion of lease liabilities	(1.9)	(2.1)
Free cash flow	**129.8**	**128.8**

Adjusted net debt/EBITDA and EBITDA/net interest ratios

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Operating profit as reported	181.5	192.4
Add back adjusting items in operating profit	36.9	13.6
Adjusted EBIT	**218.4**	**206.0**
Depreciation of property, plant and equipment	44.8	40.9
Depreciation of right-of-use assets	10.1	10.9
Amortisation (excluding acquisition-related amortisation)	7.3	7.2
Impairment of property, plant and equipment	3.8	-
Loss on disposal of property, plant and equipment and intangible assets	3.2	0.9
Adjusted EBITDA pre-IFRS 16 rental charges	**287.6**	**265.9**
Less: payment of lease liabilities as estimate for pre-IFRS16 rental charges	(10.9)	(11.4)
Adjusted EBITDA	**276.7**	**254.5**
Adjusted net debt	538.1	474.8
Adjusted EBITDA	276.7	254.5
Net debt/EBITDA ratio	**1.9x**	**1.9x**
Net interest as reported	(24.7)	(17.3)
Add back hedge ineffectiveness	1.5	(0.2)
Add back IFRS 16 interest on lease liabilities	1.9	2.1
Adjusted net interest	**(21.3)**	**(15.4)**
EBITDA/net interest ratio	**13.0x**	**16.5x**

Adjusted net debt

	30 September 2023 £m	Restated* 30 September 2022 £m
Interest-bearing deposits	(10.9)	(11.5)
Cash and cash equivalents	(79.2)	(85.9)
Overdrafts	48.9	9.8
Derivatives hedging balance sheet debt	(22.6)	(42.9)
Interest-bearing loans and borrowings	601.9	605.3
Adjusted net debt	**538.1**	**474.8**

* Comparative figures for interest-bearing deposits, overdrafts and cash and cash equivalents have been restated as set out in Note 2.

Return On Invested Capital (ROIC)

ROIC is a performance ratio that shows how efficiently a company is using investors' funds to generate profits. It is calculated by dividing the Group's adjusted net operating profit after tax by total invested capital:

	30 September 2023 £m	30 September 2022 £m
Equity	**391.7**	488.0
Adjusted net debt	**538.1**	474.8
Total invested capital	**929.8**	962.8
Adjusted EBIT	**218.4**	206.0
Less acquisition related amortisation	**(8.3)**	(8.4)
Adjusted net operating profit before tax	**210.1**	197.6
Adjusted effective tax rate	**20.6%**	20.0%
Tax	**(43.3)**	(39.5)
Adjusted net operating profit after tax	**166.8**	158.1
Adjusted ROIC	**17.9%**	16.4%

Glossary

A&P (Advertising and Promotions) is a measure of marketing spend including marketing, research and advertising.

Acquisition-related amortisation is the amortisation of intangibles recognised as part of a business combination.

Adjusted earnings per share (Adjusted EPS) is a non-GAAP measure calculated by dividing adjusted earnings by the average number of shares during the year. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before adjusting items. Average number of shares during the year is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes.

Adjusted EBIT is a non-GAAP measure and is defined as operating profit before adjusting items.

Adjusted EBIT margin is a non-GAAP measure and is defined as Adjusted EBIT as a proportion of Revenue.

Adjusted EBITDA is a non-GAAP measure calculated by taking Adjusted EBIT and adding back depreciation, amortisation and loss on disposal of property, plant and equipment and deducting payments of lease liabilities as an estimate for pre-IFRS16 rental charges.

Adjusted effective tax rate is a non-GAAP measure and defined as the income tax charge(credit), excluding the tax effect of Adjusting items, as a proportion of the Adjusted profit before tax.**Adjusted net debt** is a non-GAAP measure and is defined as net debt, adding back the impact of derivatives hedging the balance sheet debt.

Adjusted net debt/EBITDA is a is a non-GAAP measure and is defined as the ratio of Adjusted net debt to Adjusted EBITDA (calculated for the preceding 12 months).

Adjusted profit before tax is a non-GAAP measure and is defined as profit before tax, excluding Adjusting items, with the exception of acquisition-related amortisation.

Adjusted profit after tax is a non-GAAP measure and is defined as profit after tax before adjusting items, with the exception of acquisition related amortisation.

Adjusting items are those items of income and expense set out in the non-GAAP reconciliations section that have been identified because of their size, frequency and nature to provide shareholders with management's view of the underlying financial performance in the period.

Aqua Libra Co is the Britvic Aqua Libra Co Limited, previously known as The Boiling Tap Company Limited (TBTC).

ARP is defined as average revenue per litre sold, excluding factored brands and concentrate sales.

BPS is basis points and is a measure used to describe the percentage change in a value. One basis point is equivalent to 0.01%.

Brand contribution is a non-GAAP measure and is defined as revenue, less material costs and all other marginal costs that management considers to be directly attributable to the sale of a given product. Such costs include brand specific advertising and promotion costs, raw materials and marginal production and distribution costs. Brand contribution is reconciled to profit before tax in note 4 of the financial statements.

Brand contribution margin is a non-GAAP measure and is a percentage measure calculated as brand contribution divided by revenue. Each business unit's performance is reported down to the brand contribution level.

Constant exchange rate is a non-GAAP measure of performance in the underlying currency to eliminate the impact of foreign exchange movements.

DRS is Deposit Return Scheme. Deposit return schemes are used to encourage more people to recycle packaging. The schemes work by charging anyone who buys a drink a small deposit per container. They get this money back when they return the container to a collection point to be recycled.

EBIT is earnings before interest and taxation.

EBIT margin is operating profit as a proportion of revenue, both as reported in the consolidated income statement.

EPS is Earnings Per Share.

Free cash flow is defined as cash generated from operating activities, plus proceeds from the sale of property, plant and equipment, less capital expenditure, interest and repayment of lease liabilities.

GB is Great Britain.

Group is Britvic plc, together with its subsidiaries.

Immediate Consumption is defined as pack formats to be consumed on purchase, rather than deferred packs which are purchased and consumed later.

Innovation is defined as new launches over the last five years, excluding new flavours and pack sizes of established brands.

M&A is mergers and acquisitions.

Net debt is the sum of interest-bearing loans and borrowings, overdrafts, cash and cash equivalents and interest-bearing deposits.

NI is Northern Ireland.

Non-GAAP measures are provided because they are closely tracked by management to evaluate Britvic's operating performance and to make financial, strategic and operating decisions.

Plenish is Plenish Cleanse Ltd, a company acquired on 1 May 2021.

RCF is revolving credit facility.

Revenue is defined as sales achieved by the Group net of price promotional investment and retailer discounts.

ROI is Republic of Ireland.

ROIC is Return On Invested Capital, a performance ratio that shows how efficiently a company is using investors' funds to generate profits. It is calculated as set out in the non-GAAP reconciliations section.

Volume is defined as number of litres sold. No volume is recorded in respect of international concentrate sales or Brazil fruit pulp sales.