Britvic plc Interim Results – 27 May 2020

“Robust start to the year, well-placed to navigate the challenges of Covid-19”

For the 26 weeks ended 31 March 2020 compared to 28 weeks ended 14 April 2019

Group Financial Headlines:

- Reported comparisons to last year reflect 2 weeks less trading in 2020 due to change to monthly reporting
- Restated comparisons included to enable like-for-like performance comparison
- Revenue increased 1.4%* to £698.8m (reported -9.1%)
- Adjusted EBIT increased 9.4%* to £75.7m (reported -9.6%)
- Adjusted EBIT margin +80bps* to 10.8% (reported -10bps)
- Profit after tax increased 11.5% to £38.9m
- Adjusted earnings per share increased 2.7%** to 19.0p (reported -14.8%).
- While confident of liquidity, Board prudently defers dividend decision to later in year, when impact of Covid-19 will be clearer

Strategic Headlines:

- Robust start to the year, with value share gains in GB, Ireland and Brazil
- Revenue growth led by local favourites - Robinsons, MiWadi, Maguary, Pepsi, Tango and 7UP
- Since mid-March, government restrictions on general people movement and on trading activity in the hospitality industry have significantly impacted Out-of-Home, including on-the-go consumption. Packs for At-Home consumption have increased in volume driving an adverse pack mix
- Stress tests underpin confidence in liquidity position and covenant compliance for the next 18 months

Covid-19 Response:

- Entered this period from a position of strength with a solid balance sheet and trading momentum
- Clear set of priorities established - Safeguarding our people; Maintaining operational agility; Supporting our communities; and Retaining our financial strength
- Estimated adjusted EBIT impact of Covid-19 modelling in FY20 unchanged at £12m to £18m per month

	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change constant exchange rate and prior year to 31 March *
Revenue	698.8	769.2	(9.1%)	1.4%
Adjusted EBIT	75.7	83.7	(9.6%)	9.4%
Adjusted EBIT margin	10.8%	10.9%	(10) bps	80 bps
Adjusting EBIT Items	12.9	27.5	53.1%	
Statutory EBIT	62.8	56.2	11.7%	
Profit after tax	38.9	34.9	11.5%	
Basic EPS	14.7p	13.2p	11.4%	
Adjusted EPS	19.0p	22.3p	(14.8%)	2.7%**
Interim dividend per share	-	8.3p	-	
Adjusted net debt/EBITDA	2.5x	2.4x	(0.1x)	

** Adjusted for constant currency and restatement of prior year to 31 March 2019. Adjusting items includes acquisition related amortisation of £4.8m, impairment charge relating to the Counterpoint business of £8.5m and other adjusting items of £0.4m (more detail provided on page 31. ** Adjusted for restatement of prior year to 31 March 2019 at actual exchange rate.*

Simon Litherland, Chief Executive Officer commented:

“The world is a very different place from the one it was a few months ago and I am proud and humbled by the resilience and dedication shown by the entire Britvic team. Our priorities throughout the Covid-19 pandemic have been clear: protect our employees, deliver for our customers, support our communities and maintain our financial strength.

We entered the Covid-19 crisis with strong momentum, having delivered a robust first half performance, which continues our track record of consistent delivery since 2013. As a business and as a team, we have repeatedly demonstrated our agility as well as our ability to successfully navigate tough headwinds. While these times are clearly

unparalleled, soft drinks has proven itself to be a resilient category time and time again. As consumers increasingly turn to trusted brands, we are confident that our long-term strategy will continue to create value for all our stakeholders."

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

Notes to editors

About Britvic
Britvic is one of the leading branded soft drinks businesses in Europe. The Company combines its own leading brand portfolio including 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 GB and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain ("GB") and the number two supplier of branded carbonated soft drinks in GB. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, in France with brands such as Teisseire, Pressade and Moulin de Valdonne and in Brazil with Maguary, Bela Ischia and Dafruta. Britvic is growing its reach into other territories through franchising, export and licensing. Britvic's management team has successfully developed the business through a clear strategy of organic growth and international expansion based on creating and building scale brands. Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE250 index.

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 including as a consequence of the Covid-19 pandemic, 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
GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 28 March 2020. ROI take-home market data referred to is supplied by Nielsen and runs to 22 March 2020. French market data is supplied by Nielsen and runs to 22 March 2020.

Next scheduled announcement

Britvic will publish its quarter three trading statement on 22 July 2020.

Chief Executive Officer's Update

Response to Covid-19

Today we report our financial results for the first half. Before turning to the detailed results, I would like to share my personal reflections on how we are responding to the Covid-19 pandemic. Both the scale and nature of this pandemic are extraordinary, and it impacts all of us. Sadly, many thousands of people have lost their lives, leaving behind families and friends. I offer my heartfelt condolences to all those who have been affected. Many of us will have vulnerable friends and relatives who we must protect and care for, so we are all playing our personal part in overcoming this pandemic. I offer my thanks and gratitude to all the key workers, across all sectors, who have put their own lives at risk in service of their communities.

Within our business, I am hugely proud of the resilience shown by all our people to help us navigate the early stages of the crisis. In particular, I would like to highlight our supply chain and field sales teams, who cannot work from home and instead continue to work industriously, but safely, to maintain availability of our products across all our markets. Their dedication and commitment are impressive and humbling in equal measure.

In addition to the impact on our people, we have experienced volatility across all our channels with Out-of-Home adversely impacted by trading restrictions and our At-Home channels seeing variability from changing consumption patterns. As the crisis unfolded, Britvic moved quickly to establish our key priorities – safeguarding our people, maintaining operational agility, supporting our communities and retaining our financial strength.

Safeguarding our people

Where possible all our employees are working from home, using enabling technology solutions and working flexibly around their domestic circumstances. For those employees unable to work from home, primarily our factory-based teams, we have implemented both social distancing and elevated health measures, including temperature checking and additional cleaning regimes, to ensure the safety of our people. All employees classified as vulnerable, or with a vulnerable family member, were identified early on and special measures put in place to support and safeguard them. As you would expect we have adopted all government and public health authority guidelines in each of our markets. We have also put additional measures in place to support the health and wellbeing of all our employees in these uncertain times.

Maintaining operational agility

Changing buying behaviours, closing the on-trade channel and reduced movement of people have impacted each of our business units. Our supply chain teams have responded with pace, optimising production schedules and operations to mitigate some of the adverse impacts on our business. All of our factories are operational, with the exception of one factory in Ireland which we have chosen to close temporarily. The investments that we have made over recent years as part of our Business Capability Programme are allowing us to operate with increased flexibility during these times and we have been successfully collaborating with suppliers and customers to prioritise key SKUs, ensure continuity of supply and protect on-shelf availability. High service levels have been maintained through the crisis. We have also reviewed and reduced spend across the entire business, including A&P and overheads, to mitigate some of the expected profit impact from Covid-19.

Supporting our customers, suppliers and communities

We were an early signatory to the C-19 business pledge, founded by former UK cabinet minister Justine Greening and UK entrepreneur David Harrison. It aims to harness the power of business as a force for good in tackling the Covid-19 pandemic, through a focus on employees, customers and the community.

We have been working highly collaboratively with both suppliers and customers everywhere to ensure the continuity of supply of raw materials, maintain availability of our products in-store and to offer financial support where it has been needed.

Across each of the markets in which we operate, we have endeavoured to support our local communities. Examples include the supply of product to hospitals, foodbanks, schools and hospices in all markets. In France, we have supplied PPE to local hospitals and in the UK chillers and product to the NHS Nightingale Hospitals as well as warehousing facilities in Norwich for the NHS.

Retaining our financial strength

We entered this crisis from a position of strength with a solid Balance Sheet, benefitting from the recent re-financing of our Revolving Credit Facility (RCF) and approximately £150m of private placement notes. We have taken further measures to protect our cash, including reducing capital expenditure in the second half, and are confident in our liquidity position for the next 18 months.

Strategy and business update

After being appointed CEO in 2013 we launched a new strategy for the business that has since delivered superior returns to shareholders, with total shareholder returns outperforming both the FTSE100 and FTSE250. Last year we took the opportunity to evolve the strategy to ensure it continued to be aligned to the changing consumer and retail landscape. We will remain a purpose-driven, consumer-centric business; and with a portfolio of market-leading brands we believe we are well-placed to continue to deliver excellent returns to shareholders. Going forward we will focus on four key strategic priorities:

- Build local favourites and global premium brands
- Healthier people, healthier planet
- Flavour billions of water occasions
- Innovate to access new spaces

Each of our markets has a role to play delivering the strategy and we have identified three key enablers to underpin and support its successful execution:

- Generate fuel for growth through efficiency
- Transform organisation capabilities and culture
- Selective M&A to accelerate growth

We are confident we have the right strategy, a growth strategy, that will stand the test of time and deliver excellent returns in the future, and we believe this strategy is even more relevant in light of Covid-19.

We started the year with strong momentum, reporting on the 31 January that Q1 revenue was 2.6% ahead of last year. During the second quarter the Covid-19 epidemic started to have an impact across our business units, most significantly in the GB and Ireland markets, where we have a strong presence in the Out-of-Home sector. Despite this impact, we have reported a first half revenue increase of 1.4% and adjusted EBIT growth of 9.4% to £75.7m with adjusted EBIT margin increasing by 80bps.

Build local favourites and global premium brands

In GB and Ireland, we have a broad portfolio of brands, focusing on low and no sugar variants. Pepsi achieved strong growth, benefitting from our focus on no-sugar MAX and the "Maximum Taste, no sugar" message and supported by marketing campaigns for Champions League football and "Try a new tradition this Christmas". In both markets, Pepsi gained share, with GB market value increasing by £31m to break through and increase beyond £300m of retail sales value. Last year we relaunched Tango with new flavours, new pack design and a new TV campaign, and the brand has continued to deliver strong growth this year. Revenue increased nearly 18% and we gained further market share. Likewise, 7UP, led by the sugar free variant, also grew revenue by over 11% and gained market share.

Fruit Shoot performance in GB had improved before the Covid-19 crisis, supported by the "Fruit Shoot for the Moon" campaign and the launch of the 'Merrylicious' variant at Christmas. Performance in Brazil has been strong, with revenue increasing 128%, benefitting from an expansion in distribution following the introduction of a new 150ml pack format. The lockdown has had an adverse impact on Fruit Shoot sales as it is widely consumed both Out-of-Home and for At-Home socialising occasions, a trend which we have seen in all our markets.

Both J2O and our premium brands, London Essence Company and Mathieu Teisseire, which are also on-trade focused, have been particularly disrupted by the impact of Covid-19. Across all markets we have experienced the closure of hotels, bars and restaurants and we anticipate that this will continue to hold back growth for the foreseeable future. In GB, London Essence Company revenue, while still relatively small to the group, doubled year on year.

Healthier people, healthier planet

Across the whole of Britvic, we are committed to promoting health, wellness and wellbeing, providing consumers with balanced lifestyle choices and protecting our planet through the thoughtful use of resources today to create a better tomorrow. Within this key focus area, each of our markets has a distinct role to play, informed by business and stakeholder insights on the ground, materiality and the local regulatory environment.

To help promote healthier people, we lead the multi-sector soft drinks industry by keeping our average calorie per serve low across our entire portfolio - without ever compromising on taste. We also prioritise health, wellbeing and belonging (D&I) across our organisation, to enable our employees and our communities to thrive and grow, as well as our business. Within our Healthier People non-financial measures, we are on track to deliver against our calorie reduction and D&I targets. Our wellbeing goals are currently recorded annually and will be reported at the full year. This is an area that we have dialled up even further through our Covid-19 humanitarian response.

On healthier planet, we were the first soft drinks Company to commit to carbon reduction measures based on the very highest global standard of reducing climate change to less than 1.5 degrees. Together with our investment in Esterform, the UK's largest independent converter of PET, for the supply of recycled PET, we also advocate for a well-designed, industry run and not-for-profit deposit and return scheme (DRS) to contribute in a fair and meaningful way to a circular packaging economy.

In January as a sign of our commitment to conducting business in the right way, we refinanced our credit facility with a coupon rate that varies according to the successful achievement of our Healthier People, Healthier Planet goals.

Within our Healthier Planet non-financial performance measures the progress towards our carbon targets has been mixed. We have made good progress against our market-based emission targets, however the conversion to bio energy in Brazil was fully offset by an increase in our UK location-based emissions as we continue to optimise the CHP plant in Rugby. In contrast we have made good progress against our water target and are on track to deliver our water intensity ratio target of 1.98m3/tonne produced for the full year. As a result of cash management measures taken during the Covid-19 crisis we have temporarily delayed implementation of our recycled PET programme, but the current intention is to catch this up in 2021.

Flavour billions of water occasions

In each of our markets we offer market-leading flavour concentrate brands, including Robinsons, MiWadi, Teisseire and Maguary. The Flavoured Concentrates category has experienced a surge in sales in all our key markets since the Covid-19 restrictions have been introduced.

In GB, Robinsons has continued to perform well, continuing the growth delivered last year. The "everyday" range volume declined modestly as we focused on disciplined revenue management, which resulted in strong revenue and brand contribution growth. The premium Creations and Cordials variants generated solid volume and revenue growth this year, generating £15m of retail sales value. MiWadi had a very successful first half In Ireland, growing revenue and gaining market share, led by the Zero sugar and Minis ranges that were introduced to broaden appeal and usage occasions.

In France, both Teisseire and Moulin De Valdonne were down on last year, as the EGalim law continued to impact the broader category. Work is ongoing to address some of the consequences of the law and since the introduction of Covid-19 restrictions in France we have seen our Teisseire brand return to growth. In Brazil, targeted price discounting has been necessary to protect market share in response to lower pricing from regional competitors. We have continued to lead the long-term rejuvenation of the category through innovation. Recent launches include Dafruta Tropical and Maguary POP, formats that are designed to make liquid concentrates easier to use and more affordable. Brazil has now delivered eight consecutive quarters of revenue growth.

Innovate to access new spaces

Brand-led innovation has continued to grow revenue this year, either by expanding existing brands' usage or launching new brands. As an example, we expanded our category presence in Brazil last year with the launch of ready-to-drink tea and coconut water with the Puro Coco and Natural Tea brands. In the first half of the year revenue increased by 70.0% and 46.5% respectively.

Innovation is also important in our equipment technology. In GB for example, we have a strong presence in the Out-of-Home channels with our range of dispense equipment, typically found in pubs, bars and restaurants. Late last year we developed a dispense solution called London Essence Fresh Serve, allowing consumers to choose a premium, freshly infused tonic on draught, using patented micro-dosing technology. While also providing an elevated consumer

experience it has significant sustainability benefits by reducing packaging usage by up to 96% and offering much lower carbon emissions. Rollout has been temporarily interrupted by Covid-19.

E-commerce growth is accelerating further, as consumers stay home during lockdown. We have continued to build our presence online, both through the established home delivery routes of the major grocers and also online direct to trade. In GB we launched the Sensational Drinks portal last year to enable direct engagement with the on-trade. This allows our on-trade customers to order glassware and point-of-sale equipment directly, as well as accessing ideas and tips on how to grow their business. Currently the portal has been repurposed to support the trade by pulling together news, advice and training during the crisis.

Right now, we are all facing changes to our lives that could not have been foreseen, even just a few months ago. At Britvic we will continue to protect our people, operate safely and support our communities in the best ways we can. While the current outlook is uncertain, we believe we are well-placed to navigate through this, respond effectively and emerge strongly to execute our strategy successfully in the longer-term.

Chief Financial Officer's Review

Covid-19 update

In light of the scale and impact of the global pandemic on the economy and consumer behaviour, there is a high degree of uncertainty in predicting the potential outlook on Britvic's revenue, profit and cash. Our priority has been to take actions and prepare our business, so we are able to respond with pace to all plausible outcomes.

Government restrictions on trading activity in the Out-of-Home channel and on the movement of people in our markets have had a significant impact on our business since early March. The largest impacts have been seen in GB and Ireland, where exposure to the Out-of-Home channel is greater than in France or Brazil. Actions have been taken to partly mitigate the adverse impact we are seeing on profit and cashflows as a result of these restrictions. These actions have included reduced discretionary spend, within which the most significant lever is A&P; stopping all non-essential and non-committed capex in the remainder of this financial year; and tightly managing our working capital.

In our Covid-19 update on March 23 we shared a sensitivity analysis, attempting to quantify the mitigated monthly profit impact on our business of a full lockdown in all our markets, which we estimated to be in the range of £12m-£18m. The situation continues to be fluid, but nothing in our subsequent analysis would cause us to modify this estimate.

We have analysed a range of possible scenarios, which model different levels of impact on revenue, profit and cash, and the offsetting effect of the mitigating actions over the course of the next 18 months. These include a range of estimated impacts primarily based on length of time various levels of restrictions are in place and the severity of the consequent impact of those restrictions on our At-Home and Out-of-Home channels.

For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity in our Out-of-Home channel and changes in product mix for the At-Home channel. In line with the impacts noted above, the scenarios are most sensitive to the assumptions made for GB and Ireland. France and Brazil are predominantly At-Home markets and therefore drive less sensitivity. We have not assumed any uplift in the At-Home channel in any market, under any level of restrictions, for the purpose of the scenario modelling.

The scenarios include an assumption that a level of restrictions on movement and social distancing will remain in place until March 2021, our next half year reporting date. The assumptions modelled in this conservative view assume only a small proportion of Out-of-Home outlets re-open during this time. Our Covid-19 impact range of £12m-£18m per month was based on assumptions for lockdown impacting the busiest trading period in 2020. As the level of these trading restrictions reduces, so should the monthly adjusted EBIT impact, and as we exit both lockdown and our busiest trading periods, the forecast Covid-19 impact should also reduce.

Under each scenario, mitigating actions are all within management control, can be initiated as they relate to discretionary spend, and do not impact our ability to meet demand. These actions include reduced A&P and stopping all non-essential and non-committed capex in the next 12-18 months. We believe that the risk of enforced factory closure is low and have implemented additional health and safety measures in each of our factories to reduce the risk of a major supply disruption. We have assumed no significant structural changes to the business will be needed in any of the scenarios modelled.

In all the scenarios we have modelled, there remains significant liquidity headroom under on our existing debt facilities at each month end. At the half year, the net debt position was £664.5m and our covenant net debt to EBITDA ratio was 2.5x with a covenant net interest EBITDA ratio of 15.0x. Undrawn facilities were £162m with £47.6m of cash holdings as at 31 March 2020. Since the half year date, we have received approximately £150m from the recent refinancing of private placement notes, increasing undrawn facilities to approximately £300m. This returns our total access to private placement notes to approximately £625m, with maturities out to 2035. Earlier this year we also re-financed our £400m RCF up to 2025, with the potential to extend maturity to 2027 with lender consent. The RCF also offers an accordion facility of £200m, again with lender consent. Covenants are set at 3.5x Net Debt to EBITDA and 3.0x EBITDA to Net Interest Expense in all of our lending agreements.

As part of our EBITDA and cashflow modelling, we tested the possibility of the debt covenants being breached in September 2020, March 2021, and September 2021. March 2021 is the most sensitive test point as the EBITDA modelling assumes a full 12 months of reduced trading due to the impact of restrictions and a working capital peak ahead of summer trading. Under all the scenarios modelled, after taking mitigating actions as required, our forecasts did not indicate breach on any of those dates.

Comparisons to prior year

The first half of 2020 accounts for the 26 weeks ended 31 March 2020, compared to 2019 when we reported on performance for the 28 weeks ended 14 April 2019. The primary impact of this is to report 2 weeks' less sales and associated profits and cash. Alongside the statutory reporting requirement, we have included year-on-year movements compared to the 26 weeks ended 31 March 2019 and focused the operational commentary on these like-for-like movements, to enable a better understanding of underlying performance. The full year will now always end on the 30 September.

Segmental analysis

It is our intention to revise the segmental disclosure in the 2020 preliminary results to align performance reporting more closely to our updated strategic priorities. We have clearly defined the role of each business unit as part of our strategy refresh and will change the way in which performance is monitored which will be reflected in our future disclosure. From the full year results we anticipate that, subject to review, we will disclose our performance as GB, Brazil and Rest of World (including France and Ireland).

GB carbonates	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual	% change like-for-like
Volume (million litres)	636.8	646.7	(1.5%)	7.9%
ARP per litre	48.6p	50.5p	(3.8%)	(3.0%)
Revenue	309.8	326.7	(5.2%)	4.6%
Brand contribution	109.8	122.4	(10.4%)	(3.6%)
Brand contribution margin	35.5%	37.5%	(200) bps	(300) bps

Revenue increased 4.6%, driven by strong volume growth of 7.9%, primarily in large At-Home pack formats most notably multi-pack cans. ARP declined 3.0% driven by the mix impact from larger packs and, to an extent, the sharp drop in out-of-home volumes, including small PET and dispense, following recent restrictions. Revenue growth was led by Pepsi, 7UP and Tango with all three brands growing value share. Brand contribution declined 3.6%, primarily due to the pack mix as well as a higher cost of goods and increased A&P spend.

GB stills	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual	% change like-for-like
Volume (million litres)	158.0	174.0	(9.2%)	(1.0%)
ARP per litre	78.6p	78.4p	0.3%	0.5%
Revenue	124.2	136.5	(9.0%)	(0.4%)
Brand contribution	58.5	57.9	1.1%	11.4%
Brand contribution margin	47.1%	42.4%	470 bps	500 bps

Revenue declined 0.4%. Robinsons was in revenue growth, due to higher ARP in the Everyday range and continued growth in the Creations range. Fruit Shoot Core grew market share although growth was offset by a decline in Juiced and Hydro sub brands, while both maintained market share. Drench was the main driver of the year-on-year revenue

decline. Lipton Ice Tea was in strong growth, although there was a slow-down in growth in March with on-the-go consumption affected by the lockdown. Brand contribution was significantly ahead of last year due to disciplined revenue management, as well as cost of goods and lower A&P.

France	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change like-for-like & constant exchange rate
Volume (million litres)	102.0	125.1	(18.5%)	(9.7%)
ARP per litre	97.9p	100.2p	(2.3%)	0.7%
Revenue	99.9	125.3	(20.3%)	(8.9%)
Brand contribution	33.9	39.8	(14.8%)	(2.6%)
Brand contribution margin	33.9%	31.8%	210 bps	220 bps

Revenue and volume declined 8.9% and 9.7% respectively, with both brands and private label in decline. As we anticipated, the EGalim law has continued to adversely impact our pricing and promotional strategy. However in March volumes grew year-on-year benefitting from changing consumption patterns during the Covid-19 pandemic. The brand contribution decline was limited to 2.6% due to favourable cost of goods and lower A&P spend. The proposed disposal of assets to Refresco has been delayed as timelines for the clearance from the French competition authorities have been extended due to Covid-19. Our current expectation is that the sale will complete later this year.

Ireland	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change like-for-like & constant exchange rate
Volume (million litres)	107.1	110.2	(2.8%)	6.4%
ARP per litre	57.2p	60.0p	(4.7%)	(2.2%)
Revenue	79.3	90.6	(12.5%)	(1.9%)
Brand contribution	23.1	25.7	(10.1%)	(1.3%)
Brand contribution margin	29.1%	28.4%	70 bps	10 bps

Note: Volumes and ARP include own brand soft drinks sales and do not include factored product sales included within total revenue and brand contribution.

Revenue declined 1.9% due to a significant decline in sales through the Counterpoint licensed wholesale business. The branded business in grocery and convenience performed strongly with volume and revenue ahead of last year. Pepsi and MiWadi were the main drivers of growth, partly offset by Club mixers and Fruit Shoot. Brand contribution declined 1.3% while margin increased 10 bps, in part due to lower A&P spend. The licensed wholesale channel has been closed since early March, due to the trading restrictions imposed on the on-trade in Ireland. This has significantly impacted the Counterpoint business and a £8.5m non-cash impairment charge has been recognised to write-off the intangible assets, goodwill and PPE relating to Counterpoint. The water cooler business, which supplies Ballygowan to offices, has also been significantly impacted by the footfall restrictions in place and people working from home.

International	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change like-for-like & constant exchange rate
Volume (million litres)	18.4	22.5	(18.2%)	(8.0%)
ARP per litre	106.0p	106.7p	(0.7%)	(0.5%)
Revenue	19.5	24.0	(18.8%)	(8.5%)
Brand contribution	5.0	4.4	13.6%	47.1%
Brand contribution margin	25.6%	18.3%	730 bps	960 bps

Note: Concentrate sales are included in both revenue and ARP but do not have any associated volume.

Revenue decreased 8.5% due to the exit of Fruit Shoot multi-pack sales in the United States last September. Our travel and export business also declined as Covid-19 restrictions started to impact in the second quarter. This was offset by increased sales in the Middle East. Brand contribution increased 47.1% and margin increased by 960 bps due to lower A&P spend and tight cost management more than offsetting the impact of the revenue decline.

Brazil	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change like-for-like & constant exchange rate
Volume (million litres)	128.6	116.2	10.7%	17.3%
ARP per litre	51.4p	56.9p	(9.7%)	(0.4%)
Revenue	66.1	66.1	-	17.0%
Brand contribution	16.1	13.8	16.7%	36.4%
Brand contribution margin	24.4%	20.9%	350 bps	350 bps

Revenue increased 17.3%, with strong growth in both quarters, contributing to eight consecutive quarters of growth. This was due to strong performances from ready-to-drink pack formats, Fruit Shoot and innovation such as Puro Coco. Despite gaining value share, the concentrates category saw weaker performance as we responded to increasing competition from regional brands with an elevated level of promotional activity. The “Be Ingredient” fruit processing business was also in growth. Revenue, brand contribution and margin benefited from a PIS/COFINS tax rebate relating to historic balances during the first half.

Fixed costs – pre-adjusting items	6 months ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	% change actual exchange rate	% change like-for-like & constant exchange rate
Non-brand A&P	(6.0)	(6.8)	11.8%	3.2%
Fixed supply chain	(61.1)	(55.9)	(9.4%)	(6.6%)
Selling costs	(40.3)	(44.4)	9.2%	0.3%
Overheads and other	(63.3)	(73.2)	13.4%	5.0%
Total	(170.7)	(180.3)	5.3%	-
Total A&P investment	*(23.8)*	*(32.6)*		
A&P as a % of own brand revenue	*3.5%*	*4.6%*		

A&P spend of £23.8m was £5.8m less than last year on a comparable basis with lower spend in all business units. This was primarily driven by activity phasing skewed to the second half of the financial year and reduced spend on Fruit Shoot in the USA. Fixed supply chain costs of £61.1m were 6.6% higher than last year on a comparable basis. This was primarily due to increases in the cost of producer responsibility notes purchased to meet UK government obligations related to waste packaging recycling and recovery responsibilities and higher depreciation costs. Overheads decreased 5.0% to £63.3m with lower costs in GB, International and Head Office partly offset by increases in Brazil and France.

Interest

The net finance charge for the 26-week period for the Group was £9.2m, compared with £11.0m in the prior year. The reduction was due in part to reporting 26 weeks in 2020 compared to 28 weeks in 2019, along with maturing debt being refinanced at lower rates.

Adjusting items – pre-tax

In the period, we incurred, and have separately disclosed, a net charge of £12.9m (28 weeks ended 14 April 2019: £27.5m) of pre-tax adjusting items, which are included within Admin expenses in the income statement. These include:

- Costs relating to the Norwich site closure include legal, advisory and exit costs of £1.1m along with reversal of previously impaired asset, a credit of £1.0m
- A charge in Ireland relating to the impairment of goodwill and intangible assets held in the Counterpoint business of £8.5m
- Transaction-related costs of £0.6m as a result of the ongoing disposal of the private label Juice business in France
- Acquisition-related amortisation of £4.8m
- Credits of £1.1m relating to the release of acquisition-related provisions

The pre-tax cash cost of adjusting items in the period was £2.7m.

Taxation

The adjusted tax charge was £16.2m, which equates to an effective tax rate of 26.1% (28 weeks ended 14 April 2019: 20.8%). The increase primarily resulted from a one-off revaluation of deferred tax balances following the government decision to reverse the planned reduction in UK corporation tax rate from 19% to 17%. The reported net tax charge was £14.7m (28 weeks ended 14 April 2019: £10.3m), which equates to an effective tax rate of 27.4% (28 weeks ended 14 April 2019: 22.8%).

Earnings per share (EPS)

Adjusted basic EPS for the period was 19.0 pence, an increase of 2.7% (at actual exchange rates) on the same period last year. Reported adjusted EPS declined 14.8%. Basic EPS for the period was 14.7 pence, an increase of 11.4% on last year.

Dividends

Since Britvic floated in 2005, we have consistently returned capital to shareholders through our progressive dividend policy, which is a core part of our capital allocation. We are confident of our liquidity position even under our Covid-19 stress test modelling scenario. But given the uncertain environment we find ourselves in the board has decided to take a very prudent position and defer the decision on the dividend until later in the year, when there will be more visibility of the full impact of Covid-19 on the business.

Cash flow

Adjusted free cash flow was a £37.3m outflow, compared with a £12.7m outflow the previous year. There was a working capital outflow of £91.0m (28 weeks ended 14 April 2019: £59.7m outflow) driven by a reduction in Creditors of £111.9m (28 weeks ended 14 April 2019: £43.5m). This reduction was primarily driven by higher indirect tax payments with three payments in 2020 vs two payments in 2019 and the timing of other cash payments following the move from period to calendar monthly reporting. Debtors reduced by £14.7m (28 weeks ended 14 April 2019: £3.0m increase) despite a c.£12m impact on collections due to the Covid-19 pandemic as a result of adjusted payment terms for heavily impacted customers to support them through this period. Debtors also saw a favourable impact from the change to monthly reporting.

Adjusted free cash flow benefited from reduced capital expenditure of £25.8m (28 weeks ended 14 April 2019: £33.1m) following completion of the business capability programme.

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 and foreign exchange rates, whilst managing the Group's debt and liquidity, currency risk, interest rate risk, and cash position. The Group uses financial instruments to hedge against raw materials, interest rate and foreign currency exposures

At 31 March 2020, the Group had £874m of committed debt facilities, consisting of a £400m bank facility which matures in 2025, and a series of private placement notes with maturities between 2020 and 2033. On 14 May 2020, the Group successfully concluded a new £150m private placement which increased its committed facilities to just over £1bn with maturities between 2020 and 2035.

At 31 March 2020, the Group's unadjusted net debt of £754.3m (excluding derivative hedges) mainly comprised £238.0m drawn under the Group's committed bank facilities, £516.5m of private placement notes and £2.8m of accrued interest, offset by net cash and cash equivalents of £47.6m and unamortised loan issue costs of £3.0m. Including the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes, the Group's adjusted net debt was £664.5m, which compares with £654.0m at 14 April 2019.

Pensions

At 31 March 2020, the Group had IAS 19 pension surpluses in Great Britain and Northern Ireland totaling £217.0m and IAS 19 pension deficits in Ireland and France totaling £3.2m (net of assets held for sale pension deficit in France of £1.3m), resulting in a net pension surplus of £212.6m (29 September 2019: net surplus of £127.5m).

The defined benefit section of the GB 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 paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the Schedule of Contributions. In addition to expected partnership income of at least £5m per annum, the Group is currently expected to make a payment to the plan of £10m by 30 June 2020 with a further payment of £5m in October 2020 in respect of the year to 31 December 2019 in line with previously agreed deficit contribution payments. We are currently in the process of completing the triennial valuation as at 31 March 2019, the outcome of which will include a new schedule of contributions. This will be completed by 30 June 2020.

The Ireland and Northern Ireland defined benefit pension plans have an investment strategy focused on managing the risks as the funding position improves. The GB pension plan mainly has credit-type investments and the Trustees have developed proposals to manage the investment risks.

Risk management process

As with any business, we face risks and uncertainties. We believe that effective risk management supports the successful delivery of our strategic objectives. The management of these risks is based on a balance of risk and reward, determined through assessment of the likelihood and impact as well as the Group's risk appetite. The Executive team performs a formal robust assessment of the principal risks facing the Group bi-annually, which is reviewed by the Board. Similarly, all business units and functions perform formal risk assessments that consider the Group's principal risks and specific local risks relevant to the market in which they operate.

Risks are monitored throughout the year with consideration to internal and external factors and the Group's risk appetite, and updates to risks and mitigation plans are made as required. In response to the Covid-19 pandemic we have performed an operational risk assessment exercise across each of our markets and functions to identify the actions required to ensure business continuity in different severity and length of impact scenarios. The actions implemented as a result of this activity have supported the business to continue to operate and supply our customers.

We have also reassessed the principle risks set out on pages 35 to 38 of the 2019 annual report in light of the pandemic. We have identified a specific risk that considers reduced demand in the Out-of-Home channel, volatility in the At-Home channel, cancellation of key marketing events and the potential impact on liquidity and debt covenants. It also considers the impact of new ways of working on employees and our ability to meet statutory deadlines.

A number of controls and mitigations have been put in place in response to this risk, including frequent monitoring of cash and supply performance, financial scenario planning and cost mitigation actions, and additional health and safety procedures in each of our factories. We have also increased the likelihood of our Legal & Regulatory Principle Risk given the level of change in regulation, both new and modifications to existing laws. All other principle risks remain unchanged.

Glossary

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.

A&P is a measure of marketing spend including marketing, research and advertising.

Adjusted earnings per share is a non-GAAP measure calculated by dividing adjusted earnings by the average number of shares during the period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before adjusting items. Average number of shares during the period 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. The weighted average number of ordinary shares in issue for adjusted earnings per share for the period was 265.3m (14 April 2019: 264.4m).

Adjusted EBIT is a non-GAAP measure and is defined as operating profit before adjusting items. EBIT margin is EBIT as a proportion of Group revenue. The measure is presented on a constant currency basis.

Adjusted free cash flow is a non-GAAP measure and is defined as net cash flow excluding movements in borrowings, dividend payments, impact of IFRS 16 and adjusting items.

Adjusted net debt is a non-GAAP measure and is defined as Group net debt, adding back the impact of derivatives hedging the balance sheet debt.

Adjusted profit after tax is a non-GAAP measure and is defined as profit after tax before adjusting items.

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

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

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 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.

Business Capability Programme (BCP) relates to a restructuring of supply chain and operating model to enhance commercial capabilities in GB and Ireland, including the closure of the Norwich site.

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

EBITDA is earnings before interest, taxation, depreciation and amortisation.

EGalim Law refers to legislation introduced in France with the objective to ay fair prices to producers, allowing them to earn a decent living from their work, reinforce the health, environmental and nutritional quality of products and promote healthy, safe and sustainable food for all. Impacts include regulation of promotions, price renegotiations and threshold pricing.

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

PPE is Property, Plant and Equipment.

Retail market value and volume is a measure of the recorded sales at the retail point of purchase. This data is typically collated by independent organisations such as Nielsen and IRI from data supplied by retailers.

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

Revenue management is used to define a range of actions to affect ARP. It includes, but is not limited to, price increases, changes to price promotions and variation of pack size.

Volume is defined as number of litres sold, excluding factored brands sold by Counterpoint in Ireland. No volume is recorded in respect of international concentrate sales.

BRITVIC PLC
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 26 WEEKS ENDED 31 March 2020

Company number: 5604923

RESPONSIBILITY AND CAUTIONARY STATEMENTS

RESPONSIBILITY STATEMENTS

The directors confirm that to the best of their knowledge, this unaudited condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

CAUTIONARY STATEMENT

This report is addressed to the shareholders of Britvic plc and has been prepared solely to provide information to them.

This report is intended to inform the shareholders of the Group's performance during the 26 weeks to 31 March 2020. This report contains forward-looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward-looking information, including as a consequence of the Covid-19 pandemic, and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

DIRECTORS

The directors of Britvic plc are:

John Daly
Simon Litherland
Joanne Wilson
Ian McHoul
Sue Clark
Euan Sutherland
Suniti Chauhan
William Eccleshare

By order of the board

Simon Litherland
Chief Executive Officer
Date: 26 May 2020

Joanne Wilson
Chief Financial Officer
Date: 26 May 2020

INDEPENDENT REVIEW REPORT TO BRITVIC PLC

Introduction

We have been engaged by Britvic plc (the 'Company') to review the condensed set of financial statements in the interim financial report for the 26 weeks ended 31 March 2020 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income/(expense), condensed consolidated balance sheet, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and the related notes 1 to 20. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The interim financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 26 weeks ended 31 March 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Leeds
26 May 2020

BRITVIC PLC

CONDENSED CONSOLIDATED INCOME STATEMENT

For the 26 weeks ended 31 March 2020

	Note	26 weeks ended 31 March 2020 (unaudited)	28 weeks ended 14 April 2019 (unaudited)	52 weeks ended 29 September 2019 (audited)
		£m	£m	£m
Revenue	6	698.8	769.2	1,545.0
Cost of sales		(341.4)	(373.2)	(734.0)
Gross profit		**357.4**	**396.0**	**811.0**
Selling and distribution costs		(194.7)	(207.0)	(393.7)
Administration expenses		(99.9)	(132.8)	(256.1)
Assets held for sale – impairment charge		-	-	(31.2)
Operating profit		**62.8**	**56.2**	**130.0**
Finance income		1.7	0.6	1.0
Finance costs		(10.9)	(11.6)	(20.7)
Profit before tax		**53.6**	**45.2**	**110.3**
Taxation	7	(14.7)	(10.3)	(29.4)
Profit for the period attributable to the equity shareholders		**38.9**	**34.9**	**80.9**
Earnings per share				
Basic earnings per share	8	14.7p	13.2p	30.6p
Diluted earnings per share	8	14.6p	13.1p	30.3p

All activities relate to continuing operations.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)
For the 26 weeks ended 31 March 2020

	Note	26 weeks ended 31 March 2020 (unaudited) £m	28 weeks ended 14 April 2019 (unaudited) £m	52 weeks ended 29 September 2019 (audited) £m
Profit for the period attributable to the equity shareholders		38.9	34.9	80.9
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Remeasurement gains/ (losses) on defined benefit pension schemes	15	79.2	(23.1)	22.1
Current tax on additional pension contributions		-	-	0.2
Deferred tax on defined benefit pension schemes		(16.5)	4.1	(4.2)
Deferred tax on other temporary differences		(0.1)	-	0.2
		62.6	(19.0)	18.3
Items that may be subsequently reclassified to profit or loss				
Losses in the period in respect of cash flow hedges	13	(5.6)	(0.1)	(18.7)
Amounts recycled to the income statement in respect of cash flow hedges	13	5.2	1.3	26.2
Current tax on cashflow hedges accounted for in the hedging reserve		-	-	(0.2)
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve		0.1	(0.3)	(1.3)
Exchange differences on translation of foreign operations	13	(22.0)	0.4	0.7
Tax on exchange differences accounted for in the translation reserve		(0.5)	(0.6)	(0.2)
		(22.8)	0.7	6.5
Other comprehensive income/(expense) for the period, net of tax		39.8	(18.3)	24.8
Total comprehensive income for the period attributable to the equity shareholders		**78.7**	**16.6**	**105.7**

BRITVIC PLC
CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2020

	Note	31 March 2020 (unaudited) £m	*Restated 14 April 2019 (unaudited) £m	*Restated 29 September 2019 (audited) £m
Assets				
Non-current assets				
Property, plant and equipment	9	499.1	524.1	494.0
Right of use assets	9	87.2	-	-
Intangible assets	9	399.6	424.8	427.8
Other receivables		10.0	8.0	6.5
Derivative financial instruments	13	31.2	24.6	39.5
Deferred tax asset		4.3	5.4	5.6
Pension asset	15	217.0	89.9	142.4
		1,248.4	**1,076.8**	**1,115.8**
Current assets				
Inventories		132.3	156.9	141.0
Trade and other receivables		329.6	366.4	358.0
Current income tax receivables		12.2	9.7	5.6
Derivative financial instruments	13	14.5	25.1	29.9
Cash and cash equivalents		47.6	6.4	49.0
		536.2	**564.5**	**583.5**
Assets held for sale		42.0	-	42.1
Total assets		**1,826.6**	**1,641.3**	**1,741.4**
Current liabilities				
Trade and other payables		(319.4)	(414.8)	(412.4)
Bank overdraft		-	(0.3)	-
Contract liabilities – rebate accruals		(82.1)	(78.3)	(98.7)
Lease liabilities	9	(14.9)	-	-
Interest bearing loans and borrowings	10	(315.4)	(206.3)	(166.3)
Derivative financial instruments	13	(6.8)	(2.1)	(0.7)
Current income tax payable		(4.4)	(3.4)	(4.6)
Provisions	16	(1.4)	(3.8)	(4.1)
Other current liabilities		(3.8)	(3.1)	(2.5)
		(748.2)	**(712.1)**	**(689.3)**
Liabilities associated with assets held for sale		(28.3)	-	(28.4)
		(776.5)	**(712.1)**	**(717.7)**
Non-current liabilities				
Interest bearing loans and borrowings	10	(438.9)	(504.9)	(517.2)
Lease liabilities	9	(72.9)	-	-
Deferred tax liabilities		(95.1)	(60.4)	(69.8)
Pension liability	15	(4.4)	(9.9)	(14.9)
Derivative financial instruments	13	(2.0)	(2.4)	(3.1)
Provisions	16	(1.8)	(3.7)	(3.2)
Other non-current liabilities		(2.2)	(0.1)	(0.1)
		(617.3)	**(581.4)**	**(608.3)**
Total liabilities		**(1,393.8)**	**(1,293.5)**	**(1,326.0)**
Net assets		**432.8**	**347.8**	**415.4**
Capital and reserves				
Issued share capital	11	53.4	53.1	53.1
Share premium account		153.1	144.1	145.5
Own shares reserve		(4.9)	(5.4)	(10.3)
Other reserves	18	76.6	93.6	99.4
Retained earnings		154.6	62.4	127.7
Total equity		**432.8**	**347.8**	**415.4**

*Please refer to Note 4 for details of restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 26 weeks ended 31 March 2020

	Note	26 weeks ended 31 March 2020 (unaudited) £m	28 weeks ended 14 April 2019 (unaudited) £m	52 weeks ended 29 September 2019 (audited) £m
Cash flows from operating activities				
Profit before tax		53.6	45.2	110.3
Net finance costs		9.2	11.0	19.7
Other financial instruments		-	(0.2)	-
Impairment of property, plant and equipment		0.4	-	-
Impairment of intangibles		8.1	-	-
Reversal of impairment of property, plant and equipment		(1.0)	(3.8)	(3.8)
Impairment of assets held for sale		-	-	31.2
Depreciation		27.1	35.9	51.7
Amortisation		8.1	9.5	18.5
Share-based payments		(1.6)	5.8	11.3
Net pension charge less contributions		(5.7)	(16.2)	(16.4)
Increase in inventory		0.1	(13.3)	(7.8)
Decrease/ (Increase) in trade and other receivables		14.7	(2.6)	(20.7)
(Decrease)/increase in trade and other payables and contract liabilities		(105.8)	(46.9)	4.5
(Decrease)/increase in provisions		(3.6)	(1.6)	(1.6)
Loss on disposal of property, plant & equipment and intangible assets		0.4	2.5	11.9
Income tax paid		(12.1)	(9.8)	(23.7)
Net cash flows from operating activities		**(8.1)**	**15.5**	**185.1**
Cash flows from investing activities				
Purchase of property, plant and equipment		(23.5)	(31.5)	(67.4)
Proceeds from sale of property, plant and equipment		-	0.1	0.3
Purchase of intangible assets		(2.3)	(1.7)	(7.4)
Interest received		1.5	0.5	0.9
Unhedged forward currency contracts		1.8	-	-
Net cash flows used in investing activities		**(22.5)**	**(32.6)**	**(73.6)**
Cash flows from financing activities				
Interest paid, net of derivative financial instruments		(11.1)	(10.6)	(21.0)
Net movement on revolving credit facility	10	173.0	55.3	8.7
Other loans repaid	10	-	(0.2)	(0.3)
Principal element of lease payments		(5.9)	-	-
Interest element of lease payments		(0.9)	-	-
Repayment of lease liabilities	10	-	(0.3)	(0.9)
Partial repayment of 2007 USPP	10	-	(77.0)	(77.0)
Repayment of 2009 USPP	10	(67.8)	-	-
Issue costs paid	10	(2.1)	-	-
Issue of shares relating to incentive schemes for employees		5.7	1.5	2.2
Purchase of own shares		(2.8)	(1.3)	(8.4)
Dividends paid to equity shareholders	12	(57.6)	(53.6)	(75.6)
Net cash flows from financing activities		**30.5**	**(86.2)**	**(172.3)**
Net (decrease)/increase in cash and cash equivalents		**(0.1)**	**(103.3)**	**(60.8)**
Cash and cash equivalents at beginning of period		49.0	109.5	109.5
Exchange rate differences		(1.3)	(0.1)	0.3
Cash and cash equivalents at the end of the period		**47.6**	**6.1**	**49.0**
By balance sheet category:				
Cash and cash equivalents		47.6	6.4	49.0
Bank overdraft		-	(0.3)	-
		47.6	**6.1**	**49.0**

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 26 weeks ended 31 March 2020

	Issued Share capital	Share Premium account	Own Shares reserve	Other Reserves (note 18)	*Restated Retained earnings	*Restated Total
	£m	£m	£m	£m	£m	£m
At 29 September 2019 (audited)	53.1	145.5	(10.3)	99.4	127.7	415.4
Profit for the period	-	-	-	-	38.9	38.9
Other comprehensive income / (expense)	-	-	-	(22.8)	62.6	39.8
Total comprehensive income	-	-	-	(22.8)	101.5	78.7
Issue of shares	0.3	7.6	(2.9)	-	-	5.0
Own shares purchased for share schemes	-	-	(2.8)	-	-	(2.8)
Own shares utilised for share schemes	-	-	11.1	-	(15.6)	(4.5)
Movement in share-based schemes	-	-	-	-	(0.6)	(0.6)
Current tax on share-based payments	-	-	-	-	1.4	1.4
Deferred tax on share-based payments	-	-	-	-	(2.2)	(2.2)
Payment of dividend	-	-	-	-	(57.6)	(57.6)
At 31 March 2020 (unaudited)	**53.4**	**153.1**	**(4.9)**	**76.6**	**154.6**	**432.8**

	Issued Share capital	Share Premium account	Own Shares reserve	Other Reserves (note 18)	*Restated Retained earnings	*Restated Total
	£m	£m	£m	£m	£m	£m
At 30 September 2018 (audited)	52.9	139.1	(5.4)	92.9	101.2	380.7
Profit for the period	-	-	-	-	34.9	34.9
Other comprehensive income / (expense)	-	-	-	0.7	(19.0)	(18.3)
Total comprehensive income	-	-	-	0.7	15.9	16.6
Issue of shares	0.2	5.0	(3.6)	-	-	1.6
Own shares purchased for share schemes	-	-	(3.0)	-	-	(3.0)
Own shares utilised for share schemes	-	-	6.6	-	(5.8)	0.8
Movement in share-based schemes	-	-	-	-	4.0	4.0
Current tax on share-based payments	-	-	-	-	0.4	0.4
Deferred tax on share-based payments	-	-	-	-	0.3	0.3
Payment of dividend	-	-	-	-	(53.6)	(53.6)
At 14 April 2019 (unaudited)	**53.1**	**144.1**	**(5.4)**	**93.6**	**62.4**	**347.8**

*Please refer to Note 4 for details of restatement.

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 26 weeks ended 31 March 2020

1. General Information

Britvic plc (the 'Company', the 'Group') is a public limited Company, incorporated and domiciled in the United Kingdom. The address of the registered office is Britvic plc, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

The Company is listed on the London Stock Exchange.

These interim condensed financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. They have been reviewed but not audited by the Group's auditor. The statutory accounts for Britvic plc for the 52 weeks ended 29 September 2019, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified and did not contain a statement made under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were authorised for issue by the board of directors on 26 May 2020.

2. Basis of preparation

These interim condensed financial statements comprise the condensed consolidated balance sheet as at 31 March 2020 and related condensed consolidated income statement, condensed consolidated statement of cash flows, condensed consolidated statement of comprehensive income/(expense), condensed consolidated statement of changes in equity and the related notes 1 to 20 for the 26 weeks then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

From 30 September 2019, the Group has transitioned its reporting cycle from 13 four-week periods to 12 calendar months. As a result, the Company's 2020 interim financial statements cover the 26 weeks ended 31 March 2020 compared to the 2019 interim financial statements which covered the 28 weeks ended 14 April 2019. A reconciliation of the impact of this change on segmental results for the period to 31 March 2019 has been included within the Appendix.

3. Going concern

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the interim report and financial statements, a range of severe scenarios have been reviewed. The assumptions modelled are based on the estimated potential impact of Covid-19 restrictions and regulations, along with our proposed responses over the course of the next 18 months. These include a range of estimated impacts primarily based on length of time various levels of restrictions are in place and the severity of the consequent impact of those restrictions on our At-Home and Out-of-Home channels

For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity in our Out-of-Home channel and a negative impact of changes in product mix for the At-Home channel. The scenarios are most sensitive to the assumptions made for GB and Ireland where exposure to the Out-of-Home channel is greater. France and Brazil are predominantly At-Home markets and therefore drive less sensitivity. We have not assumed any uplift in the At-Home channel in any market, under any level of restrictions, for the purpose of the scenario modelling.

A key judgement applied is the likely time period of restrictions on trading activity in the Out-of-Home channel, movement of people and social distancing. The severe scenarios include an assumption that such restrictions will remain in place until March 2021 with only a small proportion of Out-of-Home outlets re-opening during this time. Our Covid-19 impact range of £12m-£18m per month is based on assumptions for lockdown impacting the busiest trading period in 2020. As the level of trading restrictions reduce, and as we exit both lockdown and our busiest trading periods, the Covid-19 impact should also reduce.

Under each scenario, mitigating actions are all within management control, can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand. These actions include reduced A&P and stopping all non-essential and non-committed capex in the next 12-18 months. We believe that the risk of enforced plant closure is low and have implemented additional health and safety measures in each of our factories to reduce the risk of a major supply disruption. We have assumed no significant structural changes to the business will be needed in any of the scenarios modelled.

As at 31 March 2020, the condensed consolidated balance sheet reflects a net asset position of £432.8m and the liquidity of the Group remains strong. We have a recently re-financed £400m bank facility with a maturity date of November 2025 and approximately £625m of private placement notes, at contracted rates, with maturity dates between 2020 and 2035. Since the half year date, we have received approximately £150m from the recent refinancing of private placement notes, increasing undrawn facilities to approximately £300m and the RCF also offers an accordion facility of £200m, with lender consent. In all scenarios modelled our liquidity requirements are within the £400m RCF facility. Further, whilst we are confident of our liquidity position even under our Covid-19 stress test modelling scenario, given the uncertain environment we find ourselves in, and to give increased financial flexibility, we have deferred the decision on the dividend until later in the financial year.

Debt covenant limits are set at a ratio of 3.5x (rolling 12-month EBITDA/ Adjusted Net Debt) and 3.0x (rolling 12-month EBITDA/ Net Interest Expenses) in all of our lending agreements. At the half year, the net debt position was £664.5m, our covenant net debt EBITDA ratio was 2.5x and our covenant net interest EBITDA ratio was 15.0x. As part of our EBITDA and cashflow modelling, we tested the possibility of the debt covenants being breached in September 2020, March 2021, and September 2021. March 2021 is the most sensitive test point as the EBITDA modelling assumes a full 12 months of reduced trading due to the impact of restrictions and a working capital peak ahead of summer trading. Under all the scenarios modelled, after taking mitigating actions as needed, our forecasts did not indicate breach on any of those dates.

On the basis of these reviews, the directors consider it is appropriate for the going concern basis to be adopted in preparing the interim report and financial statements.

Impact of Covid-19 on financial statements at 31 March 2020

Management have considered the impact on accounting policies judgements and estimates in light of the impact of Covid-19 restrictions. In particular, expected credit loss for the Groups trade debtors where customers have been assessed for potential risk, and a provision made for potential future debt which is not considered material to the Group's receivables. The net realisable value of inventory for the Out-of-Home channel has also been assessed and a provision made within is not considered material to the inventory balance at 31 March 2020.

Impairment reviews of goodwill and intangible assets are ordinarily undertaken by senior management annually. Value in use calculations are performed for each cash-generating unit using cash flow projections and are based on the latest annual financial budgets prepared by senior management and approved by the board of directors. Senior management expectations are formed in line with performance to date and experience, as well as available external market data. Given the unprecedented uncertainty created by Covid-19 management have taken the decision to review all goodwill and intangible assets for impairment at the half year. Please refer to note 9 for the outcome of these considerations

4. Accounting policies, judgements and estimates

Except as described below, the accounting policies applied by the Group in these interim financial statements are consistent with those applied by the Group in its financial statements as at, and for the year ended, 29 September 2019.

IFRS 16 Leases

IFRS 16, the new financial reporting standard on accounting for leases replacing IAS 17, was adopted on 30 September 2019 using the 'modified retrospective' transition approach, meaning that comparative financial information at 29 September 2019 has not been restated. IFRS 16 eliminated the classification of leases as either operating leases or finance leases for the lessee and, instead, introduced a single lessee accounting model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17.

In summary, IFRS 16 seeks to align the presentation of leased assets more closely to owned assets. In doing so, a right of use asset and lease liability are brought on to the balance sheet, with the lease liability discounted using the incremental borrowing rate at the date of initial application (30 September 2019), recognised at the present value of future lease payments.

On transition, right of use assets have been recorded at an amount that equals the lease liability on transition adjusted by the amount of any prepayment or accrued lease payments in relation to that lease. The Group does not recognise right of use assets or lease liabilities for low value leases (less than £3,600).

The Group has used the practical expedients in the following ways:

- in respect of leases of less than 12 months from commencement or from initial application of IFRS 16,
- the use of a single discount rate that has been applied to a portfolio of leases; and
- taking the onerous leases already on the balance sheet to adjust the right of use asset.

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17).

From an income statement perspective, the IAS 17 operating lease charge is replaced by depreciation and interest. The adoption of IFRS 16 has resulted in an immaterial impact to operating profit, which is reported prior to interest being deducted. Whilst depreciation reduces on a straight-line basis, interest is charged on outstanding lease liabilities and therefore for any given lease, interest is higher in the earlier years and decreases over time. As a result, the impact on the income statement below operating profit is dependent on average lease maturity.

The most significant IFRS 16 judgements and estimation involve the selection of an appropriate incremental borrowing rate to calculate the lease liability. Where possible, lease payments are discounted using the interest rate implicit in the contract. Alternatively, the Group's incremental borrowing rate is used. Further judgement was needed in determining the commencement date and duration of leases, these have been based on the dates within the lease contract or in the case of the CHP asset, when management assess that the leased asset was available for use for its intended purpose.

IFRS 16 had a significant impact on the reported assets and liabilities in the balance sheet, as well as the statement of cash flows (as depreciation and repayment of lease liabilities will increase). However, the impact on profit before tax is approx. £0.1m.

As at 29 September 2019, the Group had non-cancellable operating leases commitment of £51.9m. See below for a reconciliation between operating leases recognised as at 29 September 2019 and leases recognised under IFRS 16 as at 30 September 2019.

		Total £m
Operating lease commitments at 29 September 2019		
	Within one year	7.9
	After one year but not more than five years	15.8
	After more than five years	28.2
	Total	**51.9**
Additional lease commitments identified at 29 September 2019		8.1
Lease payments relating to renewal periods not included in operating lease commitments at 29 September 2019		5.8
Undiscounted operating lease commitments		**65.8**

Discounted operating lease commitments*	48.1
Leases considered to be short term	(0.1)
Liability for operating leases recognised at 30 September 2019	**48.0**
Reclassification from finance leases	1.0
Lease liability at 30 September 2019	**49.0**

** The weighted average incremental borrowing rate applied on transition was 2.4%*

The effects of adopting IFRS 16 at 30 September 2019 were as follows:

- Lease liabilities of £49.0m were recognised and presented separately in the balance sheet. This includes the lease liabilities recognised previously under finance leases of £1.0m that were reclassified from interest bearing loans and borrowings.
- Right of use assets of £48.5m were recognised and presented separately in the balance sheet. This includes the lease assets recognised previously under finance leases of £0.9m that were reclassified from property, plant and equipment and operating lease prepayments of £0.1m that were derecognised from trade and other receivables.
- Onerous lease provisions of £0.5m were derecognised.

Set out below are the new accounting policies of the Group upon adoption of IFRS 16:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment reviews.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below £3,600). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

IFRIC 23 Uncertainty over income tax treatments

The new interpretation is effective for the Group for the period commencing 30 September 2019. The Interpretation clarifies application of recognition and measurement requirements in IAS 12 Income Taxes. There was no material impact on the Group's financial statements.

Restatement of certain tax balances

As part of continuous control improvements being undertaken, a detailed review of historical tax balance sheet positions was carried out. This highlighted that errors had arisen in calculating the tax charge predominantly due to incorrect recognition of historical prior year adjustments from 2015-2018. As a result, the current income tax receivable at 29 September 2019 was understated by a total £4.2m. The affected line items are Current Income Tax Receivables, Deferred Tax Liabilities and Retained Earnings.

Given the errors date back to years prior to 2019 the opening 2019 balance sheet has been corrected by restating each of the affected financial statement lines items as follows:

	Restated 14 April 2019	**Correction**	**As reported 14 April 2019**
	£m	**£m**	**£m**
Current Income Tax Receivables	**9.7**	4.2	5.5
Deferred Tax Liabilities	**(60.4)**	(0.8)	(59.6)
Capital and reserve			
Retained earnings	**62.4**	3.4	59.0

	Restated 29 September 2019	Correction	As reported 29 September 2019
	£m	**£m**	**£m**
Current Income Tax Receivables	**5.6**	4.2	1.4
Deferred Tax Liabilities	**(69.8)**	(0.8)	(69.0)
Capital and reserve			
Retained earnings	**127.7**	3.4	124.3

	Restated 1 October 2018	Correction	As reported 1 October 2018
	£m		**£m**
Current Income Tax Receivables	**6.5**	4.2	2.3
Deferred Tax Liabilities	**(63.3)**	(0.8)	(62.5)
Capital and reserve			
Retained earnings	**101.2**	3.4	97.8

New internal controls have subsequently been implemented to prevent or detect future errors occurring.

5. Seasonality of operations

Due to the seasonal nature of the business, higher operating profits are usually expected in the second half of the year than in the first 26 weeks.

6. Segmental reporting

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

- GB Stills – United Kingdom excluding Northern Ireland
- GB Carbs – United Kingdom excluding Northern Ireland
- Ireland – including Northern Ireland
- France
- Brazil
- 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. However, Group financing (including finance costs) and income taxes are managed on a Group basis and are not allocated to reportable segments.

Transfer prices between reportable segments are on an arm's length basis in a manner similar to transactions with third parties.

26 weeks ended 31 March 2020	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	Brazil £m	International £m	Total £m
Revenue from external customers	124.2	309.8	**434.0**	79.3	99.9	66.1	19.5	**698.8**
Brand contribution	58.5	109.8	**168.3**	23.1	33.9	16.1	5.0	**246.4**
Non-brand advertising & promotion *								(6.0)
Fixed supply chain**								(61.1)
Selling costs**								(40.3)
Overheads and other costs*								(63.3)
Adjusted operating profit								**75.7**
Finance costs								(9.2)
Adjusting items***								(12.9)
Profit before tax								**53.6**

28 weeks ended 14 April 2019	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	Brazil £m	International £m	Total £m
Revenue from external customers	136.5	326.7	**463.2**	90.6	125.3	66.1	24.0	**769.2**
Brand contribution	57.9	122.4	**180.3**	25.7	39.8	13.8	4.4	**264.0**
Non-brand advertising & promotion *								(6.8)
Fixed supply chain**								(55.9)
Selling costs**								(44.4)
Overheads and other costs*								(73.2)
Adjusted operating profit								**83.7**
Finance costs								(10.7)
Adjusting items***								(27.8)
Profit before tax								**45.2**

52 weeks ended 29 September 2019	GB Stills £m	GB Carbs £m	Total GB £m	Ireland £m	France £m	Brazil £m	International £m	Total £m
Revenue from external customers	281.8	663.6	**945.4**	175.8	244.9	124.8	54.1	**1,545.0**
Brand contribution	120.5	259.0	**379.5**	52.0	80.0	28.3	11.3	**551.1**
Non-brand advertising & promotion *								(10.5)
Fixed supply chain**								(108.0)
Selling costs**								(83.0)
Overheads and other costs*								(135.5)
Adjusted operating profit								**214.1**
Net finance costs								(19.2)
Adjusting items***								(84.6)
Profit before tax								**110.3**

* Included within 'Administration expenses' in the condensed consolidated income statement. 'Overheads and other costs' relate to central expenses including salaries, IT maintenance, depreciation and non-acquisition amortisation.

** Included within 'Selling and distribution costs' in the condensed consolidated income statement.

*** See appendix 1 for further details on adjusting items.

7. Taxation

The total tax charge is £14.7m (28 weeks ended 14 April 2019: £10.3m) which equates to an effective tax rate of 27.4% (28 weeks ended 14 April 2019: 22.8%).

Tax charge by region

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
UK	12.5	5.9	23.2
Foreign	2.2	4.4	6.2
Total tax charge in the condensed consolidated income statement	**14.7**	**10.3**	**29.4**

Analysis of tax charge

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Current income tax charge	7.7	7.6	27.5
Deferred income tax charge	7.0	2.7	1.9
Total tax charge in the condensed consolidated income statement	**14.7**	**10.3**	**29.4**

The effective tax rate in the current year has increased as a result of the re-measurement of deferred tax balances in the UK. In March 2020, the UK government announced that the corporation tax rate would remain at 19% effective from 1 April 2020 (previously 17%) which was substantively enacted on 17 March 2020. The impact was a one-off increase in the deferred tax charge of £3.2m.

8. Earnings per share

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

Diluted earnings per share amounts are calculated by dividing the net profit attributable to the equity shareholders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that are potentially issuable in connection with employee share-based payment plans.

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

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Basic earnings per share			
Profit for the period attributable to the equity shareholders	38.9	34.9	80.9
Weighted average number of ordinary shares in issue for basic earnings per share	265.3	264.4	264.5
Basic earnings per share	**14.7p**	**13.2p**	**30.6p**
Diluted earnings per share			
Profit for the period attributable to the equity shareholders	38.9	34.9	80.9
Effect of dilutive potential ordinary shares – share schemes	1.3	1.8	2.4
Weighted average number of ordinary shares in issue for diluted earnings per share	266.6	266.2	266.9
Diluted earnings per share	**14.6p**	**13.1p**	**30.3p**

9. Property, plant and equipment, intangible assets, right of use assets & lease liabilities

Property, plant and equipment

During the 26 weeks ended 31 March 2020, the Group purchased property, plant and equipment at a cost of £24.2m (28 weeks ended 14 April 2019: £34.0m). Property, plant and equipment with a net book value of £0.4m was disposed of by the Group during the 26 weeks ended 31 March 2020 (28 weeks ended 14 April 2019: £2.6m) resulting in a loss on disposal of £0.4m (28 weeks ended 14 April 2019: loss on disposal £2.5m).

During the 26 weeks ended 31 March 2020 an amount of £1.0m (28 weeks ended 14 April 2019: £3.8m) was recognised as a reversal of impairment on Norwich land and buildings based on updated external information which is now available.

See note 17 for capital commitments.

Intangible assets

During the 26 weeks ended 31 March 2020, the Group purchased intangible assets at a cost of £2.3m (28 weeks ended 14 April 2019: £1.9m).

During the 26 weeks ended 31 March 2020 an impairment charge of £8.5m was made to write-off the intangible assets, goodwill and PPE relating to the Counterpoint business which was previously part of the Irish GCU. During the period there has been a reallocation of the Britvic Ireland goodwill, with the portion allocated to Counterpoint impaired during the year. Management have specifically assessed the carrying value of these assets due to the ongoing monitoring of business performance.

In light of Covid-19 a full impairment review exercise has been completed on all CGUs, including sensitivity analysis and stress testing. Discount rates and long-term growth rates are key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill. Up to the 31 March 2020 these assumptions have moved in line with recent market trends.

Other than the goodwill held in Britvic Brazil and Britvic Stills (the intangibles brand name for Britvic Mixers) in Ireland the directors do not consider that a reasonable possible change in the assumptions used to calculate the value in use of remaining goodwill and intangible assets could result in any impairment. Britvic Brazil is seen as a growth market where maturity is not expected for a number of years, as such a management forecast growth projection was used until 2024. Management will closely review the Britvic Stills brand in the second half of the year as the Out-of-Home channel in Ireland restarts.

After considering the impact of COVID-19 on the near term performance a sensitivity analysis was performed to assess the impact of reasonable possible changes in key assumptions (the impairment models are based on detailed 5-year approved budgets and extrapolated into perpetuity):

- In Brazil, an 80% reduction in forecast operating profit across FY20-FY24 would result in a £0.4m impairment charge.

- In Britvic Stills Ireland, a 70% reduction in forecast operating profit across FY20-FY24, with zero volume or revenue growth for FY20-FY24, and long term growth rate reduced to zero would result in a £0.1m impairment charge.

Right of use assets and lease liabilities

In accordance with IFRS 16 the Group's Balance Sheet currently recognises a right of use asset of £87.2m and a lease liability of £87.8m as of 31 March 2020.

	Leased Vehicles	Leasehold Property	Leased Plant and machinery	Total
	£m	£m	£m	£m
At 30 September 2019 net of accumulated depreciation*	10.5	29.4	8.6	48.5
Additions	0.3	43.5	1.1	44.9
Depreciation charge	(1.5)	(2.5)	(2.0)	(6.0)
Exchange differences	(0.1)	-	(0.1)	(0.2)
At 31 March 2020	**9.2**	**70.4**	**7.6**	**87.2**

* Right of use asset recognised on adoption of IFRS 16, see Note 4.

Lease liabilities are split between current and non-current

	31 March 2020
	£m
Current	14.9
Non-current	72.9
Net carrying amount	**87.8**

On 1 December 2019 the CHP plant at Rugby was made available and brought into use and as such £42.4m was included as a right of use asset and corresponding liability on the Balance Sheet in accordance with IFRS 16. This item was previously included as a capital commitment in the 2019 Annual Report.

10. Interest-bearing loans and borrowings

Components of current and non-current interest-bearing loans and borrowings:

	31 March 2020	14 April 2019	29 September 2019
	£m	£m	£m
Finance leases *	-	(1.3)	(1.0)
2009 Notes	-	(90.9)	(96.5)
2010 Notes	(94.0)	(88.7)	(94.7)
2014 Notes	(126.6)	(122.1)	(127.7)
2017 Notes	(175.0)	(175.0)	(175.0)
2018 Notes	(120.9)	(119.6)	(120.6)
Accrued interest	(2.8)	(3.3)	(2.7)
Bank loans***	(238.0)	(112.0)	(67.0)
Capitalised issue costs	3.0	1.7	1.7
Total interest-bearing loans and borrowings	**(754.3)**	**(711.2)**	**(683.5)**
Current ***	(315.4)	(206.3)	(166.3)
Non-current	(438.9)	(504.9)	(517.2)
Total interest-bearing loans and borrowings	**(754.3)**	**(711.2)**	**(683.5)**

Analysis of changes in interest-bearing loans and borrowings:

	26 weeks ended 31 March 2020	28 weeks ended 14 April 2019	52 weeks ended 29 September 2019
	£m	£m	£m
At the beginning of the period	(683.5)	(769.1)	(769.1)
Net movement on revolving credit facility	(173.1)	(55.3)	(8.7)
Other loans repaid	-	0.2	0.3
Partial repayment of private placement notes	-	77.0	77.0
Repayment of 2009 USPP net of derivative instruments	67.8	-	-
Issue costs***	2.1	-	-
Net repayment of finance leases *	-	0.3	0.9
Reclassification of finance leases *	0.9	-	-
Amortisation of issue costs and write off of financing fees	(0.8)	(0.2)	(0.3)
Net translation gain and fair value adjustment	32.4	36.1	15.8
Accrued interest	(0.1)	(0.2)	0.6
At the end of the period	**(754.3)**	**(711.2)**	**(683.5)**
Derivatives hedging balance sheet debt**	42.2	51.1	68.3
Debt translated at contracted rate	**(712.1)**	**(660.1)**	**(615.2)**

*No finance leases have been included within this note in 2020 as all leases are now accounted for under IFRS 16. In HY20 £0.9m has been reclassified from Interest bearing loans and borrowings to lease liabilities as per IFRS 16. Please refer to note 4.

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

***An amount of £238m (out of an available facility of £400m) was borrowed at interest rates ranging between 0.8% to 1.5% as part of a 5-year revolving credit facility, all of which is repayable within 12 months or less. The amounts and rates at which future borrowings are drawn down will vary according to business requirements. A number of banks are party to this facility and an amount of £2.1m of issue costs related to this new facility were incurred and capitalised.

11. Issued share capital

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.

Issued, called up and fully paid ordinary shares	**No. of shares**	**Value £**
At 30 September 2018	**264,606,911**	**52,921,382**
Shares issued	903,826	180,765
At 29 September 2019	**265,510,737**	**53,102,147**
Shares issued	1,282,293	256,459
At 31 March 2020	**266,793,030**	**53,358,606**

Of the issued and fully paid ordinary shares, 516,640 shares (29 September 2019: 1,180,721 shares) are own shares held by an employee benefit trust. This equates to £103,328 (29 September 2019: £236,144) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the share schemes.

12. Dividends paid and proposed

	26 weeks ended 31 March 2020	28 weeks ended 14 April 2019	52 weeks ended 29 September 2019
Declared and paid in the period			
Dividends per share (pence)	21.7	20.3	28.6
Total dividend (£m)	**57.6**	**53.6**	**75.6**
Proposed after the balance sheet date			
Dividend per share (pence)	-	8.3p	21.7
Total dividend (£m)	**-**	**22.0**	**57.6**

13. Derivatives and hedge relationships

As at 31 March 2020, the Group had entered into the following derivative contracts.

	31 March 2020 £m	14 April 2019 £m	29 September 2019 £m
Consolidated balance sheet			
Non-current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	27.2	18.2	30.1
Fair value of USD GBP cross currency floating interest rate swaps [3]	3.5	6.3	9.3
Fair value of forward currency contracts[1]	0.4	0.1	0.1
Fair value of euro cross currency floating interest rate swaps[1]	0.1	-	-
	31.2	**24.6**	**39.5**
Current assets: Derivative financial instruments			
Fair value of USD GBP cross currency fixed interest rate swaps [1]	6.1	0.4	0.6
Fair value of GBP euro cross currency floating interest rate swaps [2]	-	2.3	0.3
Fair value of USD GBP cross currency floating interest rate swaps [3]	6.5	21.4	26.9
Fair value of forward currency contracts[1]	1.4	1.0	2.1
Fair value of foreign exchange swaps	0.5	-	-
	14.5	**25.1**	**29.9**
Current liabilities: Derivative financial instruments			
Fair value of forward currency contracts[1]	(3.5)	(2.0)	(0.4)
Fair value of forward currency contracts	(1.4)	(0.1)	(0.2)
Fair value of GBP euro cross currency floating interest rate swaps [2]	(1.0)	-	(0.1)
Fair value of sugar forwards[1]	(0.9)	-	-
	(6.8)	**(2.1)**	**(0.7)**
Non-current liabilities: Derivative financial instruments			
Fair value of GBP euro cross currency fixed interest rate swaps [2]	(1.4)	(2.2)	(3.1)
Fair value of GBP cross currency floating interest rate swaps[1]	(0.6)	(0.2)	-
	(2.0)	**(2.4)**	**(3.1)**

[1] Instruments designated as part of a cash flow hedge relationship
[2] Instruments designated as part of a net investment hedge relationship
[3] Instruments designated as part of a fair value hedge relationship

Changes to derivative contracts

In December 2019, €80.3m of EUR cross currency swaps associated with the 2009 USPP issuance matured and were repaid. These cross-currency swaps were designated as a net investment hedge of €80.3m of assets in Ireland and France. The cross-currency swaps have subsequently been replaced with FX swaps for €80.3m that are designated as net investment hedges of assets in Ireland and France.

The derivatives and the hedge relationships are described in further detail on pages 124 to 126 in the Group's annual report for the 52 weeks ended 29 September 2019.

Impact of derivatives and hedge relationships on the condensed consolidated statement of comprehensive income/(expense)

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Consolidated statement of comprehensive income/(expense)			
Amounts recycled to the income statement in respect of cash flow hedges			
Forward currency contracts*	3.7	0.7	1.5
Cross currency interest rate swaps**	1.5	0.6	24.7
	5.2	**1.3**	**26.2**
(Losses)/gains in the period in respect of cash flow hedges			
Forward currency contracts	(8.2)	(3.1)	(1.0)
Cross currency interest rate swaps	2.6	3.0	(17.7)
	(5.6)	**(0.1)**	**(18.7)**
Exchange differences on translation of foreign operations			
Movement on financial items designated as a net investment hedge	5.2	4.8	(0.8)
Exchange movements on translation of foreign operations***	(27.2)	(4.4)	1.5
	(22.0)	**0.4**	**0.7**

* Offsetting amounts recorded in cost of sales

** Offsetting amounts recorded in finance costs

*** The primary reason for the exchange loss is due to the movement in the Brazilian Real during the period.

14. Fair value

Hierarchy

The Group uses the following valuation hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Unless otherwise stated, the valuation basis used to calculate fair value is level 2.

Fair values of financial assets and financial liabilities

All derivatives are valued using valuation techniques with market observable inputs; this covers cross currency interest rate swaps, interest rate swaps, FX forwards, FX swaps and commodity forwards. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. In assessing the fair value of derivatives, the non-performance risk of both Britvic and its derivative trading counterparties has been taken into consideration. Default credit risk has been measured and the potential impact on derivatives valuations quantified. As at 30 March 2020, the potential impact from non-performance risk on the fair value of the derivatives portfolio is not material.

As in the prior year, the carrying value of financial assets and liabilities (trade and other receivables, cash and cash equivalents, interest bearing loans and borrowings, trade and other payables and derivatives) are considered to be reasonable approximations of their fair values, except for fixed rate borrowings which, at 31 March 2020 have a book value of £402.9m and a fair value of £429.5m (29 September 2019: £503.9m book value compared to a fair value £524m).

The fair value of the Group's fixed rate interest-bearing borrowings and loans are determined by using discounted cash flow methods using discount rates that reflect the Group's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

15. Pensions

At 31 March 2020, Britvic plc has IAS 19 pension surpluses in GB and NI totalling £217.0m and IAS 19 pension deficits in ROI and France totalling £4.4m (made up of a deficit of £1.2m in the ROI scheme and £3.1m in France. The France deficit has been adjusted to remove £1.3m relating to pension assets held for sale) resulting in a net pension surplus of £212.6m (29 September 2019: £127.5m) which is an increase of £79.2m due to remeasurement gains. This increase is attributable to a net remeasurement gain of £72.3m in the GB scheme (which was driven by an increase in the discount rate assumption in measuring the scheme liabilities) a £10.2m gain in ROI scheme (caused by an increase in the discount rate assumption in measuring the scheme liabilities) a gain of £0.6m in the French scheme and a loss of £3.9m in the NI scheme.

The defined benefit section of the GB 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 is only open to future accrual for members who joined before 28 February 2006, and new employees are eligible to join the defined contribution scheme. All new employees in

Ireland join the defined contribution plan. Contributions are paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the Schedule of Contributions. In addition to expected partnership income of at least £5m per annum, the Group is currently expected to make a payment to the plan of £10m by 30 June 2020 with a further payment of £5m in October 2020 in respect of the year to 31 December 2019. The triennial valuation is currently in the process of being updated as at 31 March 2019, the outcome of which will include a new schedule of contributions and is expected to be complete by 30 June 2020.

The Ireland and Northern Ireland defined benefit pension plans have an investment strategy to manage the risks as the funding position improves. The GB pension plan mainly has credit-type investments and the Trustees have developed proposals to manage the investment risks.

Following the Lloyds GMP equalisation case in October 2018, which ruled that treatment of men and women be brought in line for schemes with a guaranteed minimum pension, the majority of UK-based Defined Benefit schemes will need to recalculate member benefits. The impact of the GMP equalisation was estimated at £6.0m which was recognised as a past service cost as part of adjusting items in FY19, there has been no further impact on the current period results.

Changes to IFRIC 14 have been proposed which may change the assessment of how this interpretation is applied and may result in a cap being placed on the amount of surplus that can be recognised in the balance sheet. The Group will consider the impact of these changes once they have been finalised and a revised IFRIC issued.

16. Provisions

	Restructuring £m	Other £m	Total £m
At 29 September 2019	**4.2**	**3.1**	**7.3**
Provisions derecognised on adoption of IFRS 16	-	(0.5)	(0.5)
Provisions utilised during the year	(2.4)	-	(2.4)
Unused amounts reversed	-	(0.7)	(0.7)
Reclassifications	(0.4)	0.4	-
Exchange differences	-	(0.5)	(0.5)
At 31 March 2020	**1.4**	**1.8**	**3.2**

	Restructuring £m	Other £m	Total £m
Current	1.4	-	1.4
Non-Current	-	1.8	1.8
At 31 March 2020	**1.4**	**1.8**	**3.2**

At 31 March 2020, Britvic plc has provisions totalling £3.2m (29 September 2019: £7.3m). The closing provisions as at 31 March 2020 comprise restructuring provisions of £1.4m (29 September 2019: £4.2m) which primarily relate to the closure of our Norwich factory. Other provisions of £1.8m (29 September 2019: £3.1m) relate to certain legal and regulatory claims in Brazil.

17. Capital commitments

At 31 March 2020, the Group has capital commitments of £7.9m (29 September 2019: £58.5m) relating to the acquisition of property, plant and equipment.

The material reduction in capital commitments primarily relates to the combined heat and power plant at the Rugby site, which was brought into use on 1 December 2019. The contract for this plant has been accounted for as a lease in accordance with IFRS 16, with a right of use asset and associated lease liability recognised in the Balance Sheet.

18. Other reserves

	Hedging reserve £m	**Translation reserve £m**	**Merger reserve £m**	**Total £m**
At 29 September 2019	**(1.2)**	**13.3**	**87.3**	**99.4**
Losses in the period in respect of cash flow hedges	(5.6)	-	-	(5.6)
Amounts recycled to the income statement in respect of cash flow hedges	5.2	-	-	5.2
Deferred tax in respect of cash flow hedges	0.1	-	-	0.1
Exchange differences on translation of foreign operations	-	(22.0)	-	(22.0)
Tax on exchange differences	-	(0.5)	-	(0.5)
At 31 March 2020	**(1.5)**	**(9.2)**	**87.3**	**76.6**

	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Total £m
At 30 September 2018	**(7.2)**	**12.8**	**87.3**	**92.9**
Losses in the period in respect of cash flow hedges	(0.1)	-	-	(0.1)
Amounts recycled to the income statement in respect of cash flow hedges	1.3	-	-	1.3
Deferred tax in respect of cash flow hedges	(0.3)	-	-	(0.3)
Exchange differences on translation of foreign operations	-	0.4	-	0.4
Tax on exchange differences	-	(0.6)	-	(0.6)
At 14 April 2019	**(6.3)**	**12.6**	**87.3**	**93.6**

Hedging reserve

The hedging reserve records the effective portion of movements in the fair value of forward exchange contracts, interest rate and cross currency swaps that have been designated as part of a cash flow hedge relationship.

Translation reserve

The translation reserve includes cumulative net exchange differences on translation into the presentational currency of items recorded in Group entities with a non-sterling functional currency net of amounts recognised in respect of net investment hedges.

Merger reserve

The merger reserve arose as a result of the non pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Section 612-3 of the Companies Act 2006.

19. Assets held for sale

As previously reported, on 12 November 2019 we announced the decision to enter into exclusive discussions with Refresco over the potential sale by Britvic of its three juice manufacturing sites in France, its private label juice business, and the Fruité brand. As part of the transaction, Pressade and Fruit Shoot would be supplied by Refresco under a long-term manufacturing agreement, creating a smaller but higher margin business in France, enabling the local management team to focus on growing our profitable brand portfolio.

In accordance with IFRS 5, the assets and associated liabilities that will be disposed of as a result of this transaction were classified as held for sale at 29 September 2019. Since the previously reported date we have signed a sale and purchase agreement and the transaction is currently being reviewed by the Competition Commission.

There have been no material changes to the transaction valuation since that date and no change to the impairment charge of £31.2m previously recognised in the period ended 29 September 2019. The proposed transaction is expected to complete in September 2020. Please refer to note 31 of the Company's 2019 Annual Report and Accounts for further details.

20. Post balance sheet events

On 14 May 2020, the Group received £100m and €60m of US private placement funds at interest rates ranging from 1.15% to 2.19% fixed; and 1.15% and 1.45% spread over EURIBOR and LIBOR respectively. The maturities range from May 2030 to May 2035. This transaction was priced in February 2020 and signed in March 2020.

Appendix 1

NON-GAAP RECONCILIATIONS

Adjusting items

The Group includes adjusting items, which are income and expenses included in the financial statements that are disclosed separately because of their size, nature or infrequency to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

These items primarily relate to the impairment of intangible assets, goodwill and PPE in the Counterpoint business, restructuring costs associated with the divestment of part of the French business and one-off items that are not considered part of business operations. In addition, acquisition-related costs such as amortisation of acquired intangibles and the impairment of assets held for sale as part of a disposal are also considered adjusting items.

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.

In prior years Adjusting items included fair value movements on financial instruments where hedge accounting cannot be applied on future transactions and also where hedge ineffectiveness is recognised. These items have not been included within adjusting items in the current year.

	Notes	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Strategic restructuring – business capability programme	(a)	(0.1)	(15.7)	(33.0)
Pension scheme costs	(b)	-	(6.0)	(6.2)
Costs in relation to the acquisition and integration of subsidiaries	(c)	1.1	-	1.3
Strategic M&A activity	(d)	(0.6)	-	(2.5)
Closure of Fruit Shoot multi-pack operations in USA	(g)	-	-	(2.1)
Impairment of assets	(h)	(8.5)	-	(31.2)
Acquisition-related amortisation	(f)	(4.8)	(5.8)	(10.4)
Total included in operating profit		**(12.9)**	**(27.5)**	**(84.1)**
Fair value movements	(e)	**-**	(0.3)	(0.5)
Total included in finance costs		**-**	**(0.3)**	**(0.5)**
Tax adjusting item – Merger of Brazil entities	(i)	1.1	-	-
Tax on adjusting items included in profit before tax		0.3	3.7	7.4
Total included in taxation		**1.4**	**3.7**	**7.4**
Net adjusting items		**(11.5)**	**(24.1)**	**(77.2)**

a. Strategic restructuring – Relates to the business capability programme which was a restructuring of supply chain and the operating model across the Group, initiated in 2016. Costs in 2020 relate to the closure of the Norwich site, and are primarily site services, advisory and exit costs. It also includes the reversal of previous impairment on the Norwich land and buildings.

b. Pension scheme costs relate to past service cost as recognised in the previous half year relating to the equalisation of Guaranteed Minimum Pension (GMP) in GB & Northern Ireland pension schemes and pension advisory costs.

c. Relates to the release of provisions for Bela Ischia Alimentos Ltda (Bela Ischia) and Empresa Brasileira de Bebidas e Alimentos SA (Ebba).

d. Strategic M&A activity relates to the sale of the juice business in France.

e. Fair value movements relate to the fair value movement of derivative financial instruments where either hedge accounting cannot be applied to future transactions or where there is ineffectiveness in the hedge relationship. The 2020 fair value movement has been included in operating profit and is not deemed part of adjusting items.

f. Acquisition-related amortisation relates to the amortisation of intangibles recognised on the acquisitions in Ireland, France and Brazil.

g. Costs primarily relating to asset write-offs, stock write-offs and employee costs.

h. Part of the French business was been designated as held for sale in 2019. The fair value calculation resulted in an impairment charge of £31.2m. In accordance with IFRS 5 the assets and liabilities held for sale are remeasured at the lower of the carrying amount and fair value less costs to sell. During 2020 intangible assets, goodwill and PPE relating to the Counterpoint business were impaired.

i. During 2020 there was a merger in the Brazilian Group. This has led to recognition of a deferred tax asset on intangibles.

Adjusted profit

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Operating profit as reported	**62.8**	56.2	130.0
Add back adjusting items in operating profit	**12.9**	27.5	84.1
Adjusted EBIT	**75.7**	83.7	214.1
Net finance costs	**(9.2)**	(11.0)	(19.7)
Add back adjusting net finance costs	**-**	0.3	0.5
Adjusted profit before tax and acquisition related amortisation	**66.5**	73.0	194.9
Acquisition related amortisation	**(4.8)**	(5.8)	(10.4)
Adjusted profit before tax	**61.7**	67.2	184.5
Taxation	**(14.7)**	(10.3)	(29.4)
Less adjusting tax credit	**(1.4)**	(3.7)	(7.4)
Adjusted profit after tax	**45.6**	53.2	147.7
Adjusted effective tax rate	**26.1%**	20.8%	19.9%

Earnings per share

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders	38.9	34.9	80.9
Add: Net impact of adjusting items	11.5	24.1	77.2
	50.4	59.0	158.1
Weighted average number of ordinary shares in issue for basic earnings per share	265.3	264.4	264.5
Adjusted basic earnings per share	19.0p	22.3p	59.8p
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before adjusting items and acquisition related intangible assets amortisation	50.4	59.0	158.1
Weighted average number of ordinary shares in issue for diluted earnings per share	266.6	266.2	266.9
Adjusted diluted earnings per share	18.9p	22.2p	59.2p

Segmental analysis for the period to 31 March 2019

From 30 September 2019, the Group has transitioned its reporting cycle from 13 four-week periods to 12 calendar months. As a result, the Company's 2020 interim financial statements cover the 26 weeks ended 31 March 2020 compared to the 2019 interim financial statements which covered the 28 weeks ended 14 April 2019. The below analysis shows the segmental analysis to the 31 March 2019:

	GB Stills £m	**GB Carbs £m**	**Total GB £m**	**Ireland £m**	**France £m**	**Brazil £m**	**International £m**	**Total £m**
Revenue from external customers	125.0	295.9	**420.9**	82.9	113.1	62.4	21.6	**700.9**
Brand contribution	53.0	108.7	**161.7**	22.8	35.9	13.0	3.5	**236.9**
Non-brand advertising & promotion								(6.2)
Fixed supply chain								(52.1)
Selling costs								(41.2)
Overheads and other costs								(67.5)
Adjusted operating profit								**69.9**

Adjusted free cash flow

	26 weeks ended 31 March 2020 £m	28 weeks ended 14 April 2019 £m	52 weeks ended 29 September 2019 £m
Adjusted EBIT	**75.7**	**83.7**	**214.1**
Depreciation	27.1	29.1	45.7
Amortisation (non-acquisition related)	3.3	3.8	8.0
Adjusted loss on disposal of PPE	0.4	0.9	2.3
Adjusted EBITDA	106.5	117.5	270.1
Adjusted working capital movements	(91.0)	(59.7)	(20.2)
Purchases of intangible and tangible assets	(25.8)	(33.1)	(74.8)
Net pension charge less contributions	(5.7)	(22.2)	(22.3)
Net Interest and finance costs	(9.6)	(10.1)	(19.1)
Income tax paid	(12.1)	(9.8)	(23.7)
Share based payments	(1.6)	5.8	11.3
Issue of shares	5.7	1.5	2.2
Purchase of own shares	(2.8)	(1.3)	(8.4)
Interest charge on lease liabilities	(0.9)		
Other	-	(1.3)	0.9
Adjusted free cash flow	**(37.3)**	**(12.7)**	**116.0**