

SOFT DRINKS REVIEW 2025

CARLSBERG
BRITVIC



LICENSED

WELCOME

TO THE CARLSBERG BRITVIC SOFT DRINKS REVIEW

A JOURNEY OF REINVENTION

A lot happened in soft drinks in 2024, and it's certainly been a fast start for us at Carlsberg Britvic in 2025. The soft drinks category is still fizzing, demonstrating agility and it is one which continues to impress me when it comes to innovation. Soft drinks is a true tale of smart innovation and remarkable reinvention.

As a business, you could say we have been through our own reinvention as well. The acquisition between two specialist businesses has come into effect, creating a beverage powerhouse we're incredibly proud of. Carlsberg Britvic as one entity is uniquely placed to offer our customers insight and data at a total beverage level. From squash, carbonates, energy, iced coffee, tonics, and health shots; to craft beer, ales and cider; we bring a new perspective on how customers are enjoying drinks across a multitude of sub-categories. Within the coming chapters, we're focusing on our annual review of soft drinks specifically, but there are, and always have been, synergies between alcoholic and non-alcoholic options.

Across channels, soft drinks grew in value and volume last year and choices are diversifying. The innovation we've seen is truly impressive and so it's no surprise the category is engaging shoppers in a way that is not only maintaining

sales, it's growing them. And we're not just innovating when it comes to flavours, we're creating concepts. Concepts which hold an emotional connection with consumers. The Robinsons collaboration with the Wicked movie is one example – this was a partnership beyond one standalone lever. This was a partnership which brought the spirit of the movie to life through multiple touchpoints, and we've been blown away by its success.

A stalwart brand, Pepsi MAX® continues to perform well, proving that consumers across channels are still seeking out its zero sugar, maximum taste premise. Low and no sugar options maintain their relevance, but we still see indulgence playing a role within these realms. Our latest additions to the Pepsi range, Strawberries 'N' Cream and Cream Soda, are the latest example and again, this isn't just product innovation, it's a concept that has taken the TikTok generation by storm. Jimmy's Iced Coffee has seen success with its rotational flavour series which brings a touch of fun and indulgence with Cinnamon Roll and Donut flavours.

Of course, within a category that can be somewhat reliant on good weather, it hasn't been pure sunny skies, and it won't be as we look ahead. There has been continued





cutbacks from consumers in their spending, impacting all channels, although hospitality often bears the brunt of being one of the first places to take a hit. People cut how often they eat out to save the pennies. And we know there is a backdrop of growing economic and sociopolitical uncertainty to contend with. But that's prevalent in beer and a number of FMCG categories as well.

I note across the coming chapters that soft drinks are in a strong position to weather any storms ahead. There are a number of legislation changes across 2025 including Extended Producer Responsibility (EPR), which has a costly implication on glass packaging for manufacturers and could impact consumer choice. But it is coming at a time when we're seeing a consumer driven trend for can formats, which are not subject to EPR fees but will be included in a Deposit Return Scheme from 2027. Manufacturers across beverage categories are seeing cans winning, and more slim line cans are emerging as companies look to premiumise the format and answer consumer demand.

Planning for the UK-wide Deposit Return Scheme is underway, which we continue to support, and we will take learnings from Ireland with us on the journey.

There is never a dull moment in soft drinks or beer, manufacturers are certainly kept busy, and we can look back on a successful 2024.

Looking ahead, there is a lot for soft drink producers to be optimistic about in this thriving category. On a more personal note, Carlsberg Britvic has a lot to look forward to as well. We're in a stronger position together as one to continue delivering positive change throughout the UK and innovating across our beverage portfolio to keep consumers on their toes and thirsty for more.



Paul Davies
CEO of
Carlsberg Britvic







STAYING TRUE TO OUR PATH

To say global affairs have been reshaped by seismic upheavals in the past year would be an understatement. Conventions that have long governed trade and politics have been uprooted. Thinking on everything from the environment and defence to diversity and inclusion is being challenged. People are more polarised.¹ The political landscape is fragmenting.²

All this comes as we digest the clearest evidence yet of how human activity is changing the climate: 2024 was the warmest year ever recorded³ and the first year in which the global average temperature was 1.5°C warmer than pre-industrial levels.³ Given that this was the 'point of no return'⁴ net zero policies were developed to help us avoid, it would be easy to become despondent, regardless of your politics.

¹ https://www.allianz.com/en/economic_research/insights/publications/specials_fmo/241118-social-resilience-index.html

² <https://www.professionaladviser.com/opinion/4413226/political-fragmentation-means-financial-planning>

³ WMO - <https://wmo.int/news/media-centre/wmo-confirms-2024-warmest-year-record-about-155degc-above-pre-industrial-level>

⁴ <https://www.aljazeera.com/news/2023/3/20/point-of-no-return-un-report-to-provide-stark-climate-warning>



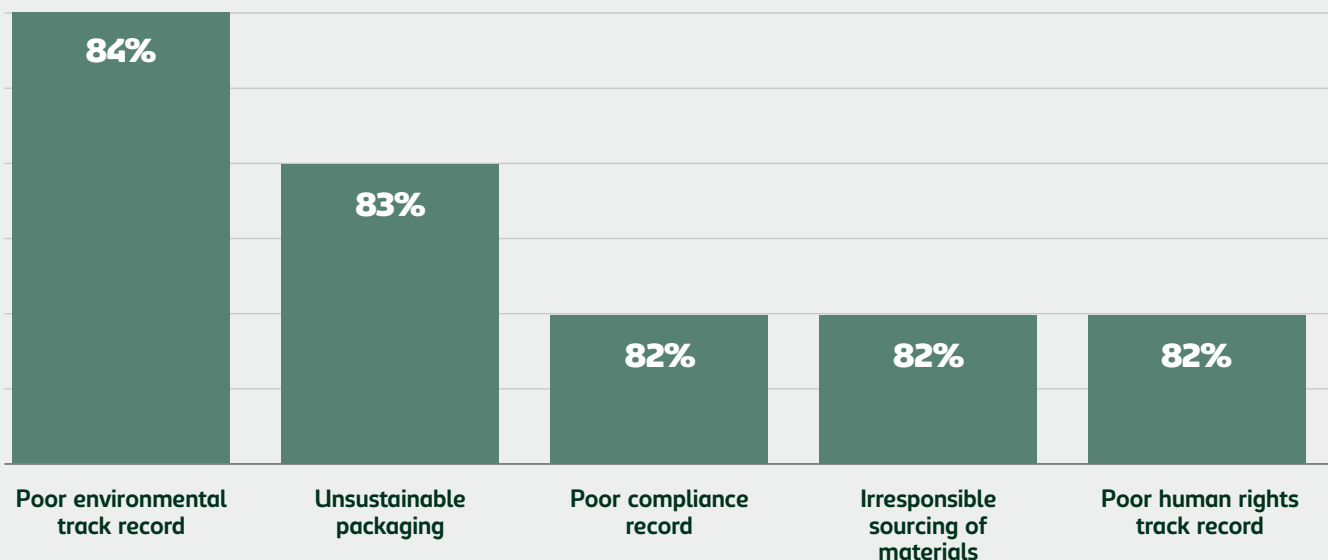
Some companies are scaling back on their sustainability, diversity and inclusion policies.⁵ In explanation, CEOs have cited unforeseen or underestimated complexities in becoming carbon neutral,⁶ while others have said that changes in political leadership in their key markets have led to them rethinking their ESG policies.⁷ But at Carlsberg Britvic we're staying true to our path.

That is to help people to enjoy life's everyday moments with a wide range of drinks for every occasion, while building a better tomorrow. We want our actions to demonstrate courage and show that we care as a business,

while bringing people together. And we're proud to point to several tangible examples of how we've been progressing on this path at pace in the past year.

The basis of our approach is that the health of people and planet are intrinsically linked and that you cannot have one without the other. This idea is supported by several influential studies.⁸ There's a third element to this, of course. Aside from any ethical arguments for sustainability, improving the health of people and planet also makes good business sense.

MOST COMMON ENVIRONMENTAL FACTORS ALIENATING SHOPPERS FROM BRANDS⁹



After all, one 2024 study found that more than three quarters (78%)¹⁰ of people in the UK say they consider sustainability when shopping and that 55%¹⁰ are willing to pay more for products that are less environmentally damaging than alternatives. Another study cast light on how much more they're prepared to pay: on average UK shoppers found a 9.7%¹¹ premium for more sustainable products acceptable.

That's encouraging, particularly when you consider the pressure people's finances have been under in recent years. This may well give companies that have scaled back on

their sustainability commitments pause for thought. So too will analysis that reveals the environmental factors that are most likely to alienate shoppers from brands. A generally poor environmental track record, unsustainable packaging and poor compliance came top.⁹

All this helps to explain why Carlsberg Britvic and other producers remain focused on our commitments to reduce the impact we have on the planet and improve the health and happiness of people in our organisations and wider society. Here are some examples of how this is being achieved...

⁵ <https://hbr.org/2024/08/companies-are-scaling-back-sustainability-pledges-heres-what-they-should-do-instead>

⁶ WMO - <https://wmo.int/news/media-centre/wmo-confirms-2024-warmest-year-record-about-155degc-above-pre-industrial-level>

⁷ <https://www.theguardian.com/business/2025/feb/28/uk-based-british-pharma-gsk-pauses-diversity-work-citing-trump-orders>

⁸ Health Promotion International, 08.01.13 - <https://academic.oup.com/heapro/article/29/3/558/754800>

⁹ ISO-Cert Online - <https://www.uswitch.com/gas-electricity/green-energy/green-consumer-statistics/>

¹⁰ The Round Up - <https://theroundup.org/environmentally-conscious-consumer-statistics/>

¹¹ PWC - <https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-2024-voice-of-consumer-survey.html>

OUR YEAR IN NUMBERS

HEALTH & COMMUNITY

11

calories per 250ml serve in Great Britain¹²
(down from 12.5 in 2023)

892

days spent volunteering for charitable causes by employees in Great Britain and Ireland¹²

100

British schools benefitted from sessions provided by psychological fitness charity Bounce Forward thanks to Britvic support²

THE ENVIRONMENT

29%

recycled plastic packaging content in Great Britain¹²

75%

of grid electricity in Great Britain for our soft drinks business comes from solar panels¹³

34.6m

litres of water savings identified at our Rugby factory through student mentoring programme¹⁴

OUR BUSINESS

£25m

invested on upgrading our National Distribution Centre in Lutterworth, Leicestershire¹⁵

2,000

London Essence Company Freshly Infused fountains installed in UK hospitality¹⁶

33.9%

value growth for Jimmy's Iced Coffee (L52W)¹⁷

It goes without saying; 'health' can mean different things to different people. That's where choice comes in and ensuring that a range of healthier options are available which still deliver on great taste, refreshment and excitement. Sugar-free is one of the areas of choice and these drinks can still pack a punch. Carlsberg Britvic has proven this with innovation such as Tango Mango, Pepsi Electric and Aqua Libra Watermelon & Strawberry – all sugar-free.

It's not just us, of course. All the big brands have significantly increased the size of their low and no-sugar drinks portfolios over the past decade or so, with recent examples including the launch of Red Bull Zero¹⁸ – a zero-sugar and zero-calorie energy drink with a flavour profile similar to that of the brand's core full-sugar product – and Irn-Bru's new Nessie Nectar and Unicorn Tears flavoured drinks.¹⁹

We're also building our portfolio of natural functional health drinks. The Plenish health shots range has been fortified

with vitamins B1, B2 and D and expanded with products like Mango Sunshine, Beet Balance and (most recently) Ginger Energy. The Jimmy's Iced Coffee collaboration with Myprotein to produce a delicious protein iced coffee is another example.



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15 Page 4 – Britvic Annual Report & Accounts 2024
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17 NIQ Scantrack Category Data, RTD Coffee, Total Coverage; Latest 52 weeks to 19.04.25
18 <https://www.thegrocer.co.uk/news/red-bull-adds-zero-to-sugar-free-lineup/698260.article>
19 <https://www.thegrocer.co.uk/news/irn-bru-adds-duo-of-zero-sugar-mystery-flavours/703406.article>

INTRODUCING... OUR DIVERSITY NETWORK GROUPS

As a business, we believe that having a diverse workforce with a strong sense of belonging and inclusion is central to our success. To build on this, we have five diversity network groups:



promotes and celebrates the racial, ethnic and cultural diversity of our workforce and encourages employees from all backgrounds to bring their true selves to work



champions gender equity and parity from our factory floors to the boardroom



connects and supports our LGBTQIA+ colleagues and allies and is helping to boost inclusion throughout the organisation



is passionate about attracting, retaining and championing employees with disabilities and diverse abilities



is a network in which our Mental Health First Aiders and Wellbeing Warriors help employees to create a caring environment in which people feel supported and understood



20 <https://www.thegrocer.co.uk/category-reports/gut-instinct-trends-in-soft-drinks-2025/703949.article>

21 <https://www.pepsico.com/our-stories/press-release/pepsico-to-acquire-poppi03172025>

The boom in gut-health friendly soft drinks is another case in point. Challenger brands such as Xoxo, Hip Pop and Fibe! are winning growing shelf space in the supermarkets as retailers increase their functional health drinks ranges.²⁰ PepsiCo's acquisition of US prebiotic soda brand Poppi for just shy of \$2bn in March²¹ provides further proof that functional health soft drinks are no longer niche.

We are committed to creating an environment that fosters the health and happiness of our workforce and ensures employees feel engaged, motivated and valued whoever they are. Alongside this, we believe in giving back to the communities we serve with a range of sustainability, inclusivity and social mobility initiatives.



Just as the health of the planet and the people who call it home are intrinsically linked, so too are people's physical and mental health. Poor mental wellbeing has repercussions on physical health and vice versa. That's why we take a holistic approach to supporting wellbeing throughout our organisation and elsewhere.

are concerned about their children's mental resilience and emotional wellbeing and 81%²³ believe mental health should be part of the curriculum, Carlsberg Britvic's employees have nominated nearly 150 schools in their communities to receive fully-funded support from psychological fitness charity Bounce Forward.²³

education and careers advice for young people through our partnership with youth charity, The King's Trust²⁵, and the funds we've donated to the Create Space campaign from Brooklyn Brewery and the Stonewall Gives Back Initiative to support grassroots LGBTQ+ initiatives since the UK launch of Brooklyn Brewery's Stonewall Inn IPA.

Within our UK business, we've provided sleep science sessions for more than 400 employees²² to enable them to get the best out of their nightshifts and strike a better work/life balance, and we continue to offer our workforce a range of initiatives designed to support their physical and mental health needs.

That's not all. Since moving our UK headquarters to Hemel Hempstead in 2013, our soft drinks business has been working with Hertfordshire County Council to support people and organisations in need. So far, we've supported 11 projects and awarded more than £44,000 to more than 777 beneficiaries.²⁴

Our peers are also supporting the physical and emotional wellbeing of people in the communities they serve through a variety of initiatives. These include Coca-Cola Europacific Partners' sponsorship of the Community Hero category of the Great British Pub Awards, which recognises projects in which pubs support those in need in their communities and prize money so they can continue to do so.²⁶

We're also doing our bit in the communities we serve. Informed by our research that found 58%²³ of parents

Other examples from our communities include the more than £260,000 we've donated to fund counselling,



22 Page 18 – Britvic Annual Report & Accounts 2024

23 <https://www.britvic.com/our-news/people/britvic-partners-with-wellbeing-charity-bounce-forward-to-help-children-build-mental-resilience/>

24 Page 39 – Britvic Annual Report & Accounts 2024

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26 <https://www.morningadvertiser.co.uk/Article/2025/04/22/how-has-coca-cola-supported-community-pub-heroes/>

OUR WORK WITH FARESHARE

We are proud to have been supporting FareShare, by donating products for redistribution to people in need and by our staff using some (or all!) of their two paid days a year for volunteering to support the charity since 2019.

In 2024, the number of soft drink serves we've donated to FareShare since we began working with them hit more than 293,000²⁷. These have been redistributed to

more than 2,280 charities²⁷, reaching people in need at older people's lunch clubs, community centres, homeless shelters and more.

Not only is this a way of giving back to communities it also helps reduce waste (and the carbon emissions associated with this), moving us closer to achieving net zero emissions.



293,900

250ml soft drink servings donated since 2019²⁷

2,280²⁷

charities supported through our FareShare partnership

FOURTH GROCERYAID GOLD AWARD IN AS MANY YEARS

In 2024, our soft drinks and beer businesses were awarded the Gold Award by the charity GroceryAid. For our soft drinks business this is the fourth year we have been recognised for the work we carry out to support the physical and mental wellbeing of people who work in our organisation and live in the wider communities we serve.

GroceryAid provides emotional, financial and practical support for people working in the UK grocery industry. Our employees have continued to raise awareness and funds for the charity over the past year, with many giving up their time to volunteer for GroceryAid.

We're also working hard to support our colleagues in the licensed trade through a variety of initiatives. These include J₂O's partnership with the renowned

cricket team Lashings World XI, which will see the Carlsberg Britvic Cricket Day take place at Old Albanians Cricket Club in July, in support of Licensed Trade Charity and Only a Pavement Away, two charities that support vulnerable people working in the hospitality industry.



LOWERING OUR IMPACT ON THE PLANET

As we've already explored, at a time when the extent to which humanity has altered the global climate is becoming irrefutable, some businesses are scaling back their commitments to reduce the toll they take on the planet. We're doing the opposite and have made significant progress along the path to net zero carbon emissions, as well as reducing packaging waste, water use and our impact on biodiversity.

Since February 2024, 75% of the national grid electricity used to produce soft drinks in the UK has come from a solar farm in Northamptonshire.²⁸ The 160-acre site, which is benefitting from a rewilding project to boost biodiversity, will provide clean energy to Carlsberg Britvic factories in Rugby, London and Leeds for the next 10 years.²⁸

The steps taken in recent years have helped Carlsberg Britvic pass several key landmarks. These include logistics advances that have resulted in 7,200 fewer trucks on UK roads since 2017²⁸ and transferring many Scottish deliveries from road to rail, saving 3,600 road miles and an estimated 4,700 tonnes of carbon in six years.²⁸ We are hopeful that efforts being undertaken in 2025 (including a trial of electric freight vehicles) will help Carlsberg Britvic progress further.²⁸

By improving the efficiency of production procedures and working with our partners, we're also using less water to produce our drinks. Projects across our

operations in the UK to reduce use of this precious resource continue, such as our partnership with Grundfos, where by utilising Grundfos' Energy Check Advanced Programme data we installed speed controlled e-Pumps that work to manage pressure and bring consistent flow to incoming water. This has allowed us to reduce energy consumption at the water process plant by 60%, improve the longevity of our de-alkalisation beds and increase visibility on performance so we can optimise even further in the future. A brand new initiative in 2024 was a joint project with Rugby High School for Girls, aimed at increasing female participation in engineering careers as well delivering better environmental efficiencies, which resulted in a team of six students identifying steps that will result in savings of 34.6 million litres of water a year (worth £870,000) at our Rugby factory.³⁰

Of course, if net zero is going to be achieved, businesses also need to support their suppliers and customers in reducing their environmental impact. That's why organisations like the Sustainable Markets Initiative – which counts Waitrose, McCain and McDonald's among its members and pledged in March to support East Anglian farmers switching to regenerative agriculture³¹ – are so important.

²⁸ Page 52 – Britvic Annual Report & Accounts 2024

²⁹ <https://www.britvic.com/our-news/people/britvic-blog-improving-water-and-energy-efficiency-at-beckton/>

³⁰ Page 48 – Britvic Annual Report & Accounts 2024

³¹ <https://www.farmersguide.co.uk/rural/environmental/big-corporations-will-support-east-anglia-farmers-in-switching-to-regenerative-farming/>



Another example is the Simpler Recycling initiative – requiring all businesses in England with 10 or more employees to separate their waste into three streams (dry recyclables, food waste and non-recyclable) – which has led to a 34%³² increase in waste captured for recycling since its implementation in Wales in 2023, followed by England in 2025. As a company that’s pledged to cut our packaging per serve and increase its recycled content,³³ we fully support initiatives like this.

That water is essential to life goes without saying. But it must be just the right amount: too little and life withers; too much and we’re inundated. While water cleans, nourishes and sustains, it can also cause erosion and floods. So sometimes it needs managing.

That’s why we’ve been working with The Rivers Trust charity since 2021. In 2024, the Trust saw the completion of the £80,000 restoration of a 600m³ natural floodplain and creation of a meandering channel at Chellow Dene Beck, a West Yorkshire wetlands 10 miles from our Leeds factory.³⁴

The scheme improved the capacity of the site to hold water during times of heavy rain and slowed the flow of water down the beck to create a natural flood defence. It also improved habitats for wildlife, allowed native brown trout to move more freely along the beck and provided a beautiful space for local people to enjoy.

At Carlsberg Britvic, we recognise that our business relies on healthy water systems in the communities we serve and are striving to find new ways to become more water efficient in our own operations.

We’re proud to have supported the Chellow Dene Beck scheme – which was carried out by the Environment Agency, as well as local authorities and community

groups – to reduce flood risk in the area and provide natural, clean water for the local community. Just the right amount, of course.



32 <https://www.biffa.co.uk/support-resources/simpler-recycling>

33 <https://sensationaldrinks.com/partner-with-britvic/sustainability/what-britvic-are-doing/>

34 <https://aireriverstrust.org.uk/blog/2024/09/20/chellow-dene-resurrected/>

DEPOSIT RETURN SCHEME: LESSONS FROM IRELAND AS UK LAUNCH APPROACHES

In October 2027, the long-awaited Deposit Return Scheme (DRS) for single-use plastic and metal drinks containers will begin in England, Scotland and Northern Ireland. The scheme will charge a deposit on eligible drinks containers, refundable when returned to designated collection points.

Carlsberg Britvic has long supported the development of a nationwide DRS, and we welcomed the government's May announcement of the formation of the Deposit Management Organisation (DMO) to oversee the scheme.

We only need to look at the results delivered by Ireland's DRS, which marked its one-year anniversary in February 2025, for proof of the benefits such schemes can bring. By the end of 2024, more than 980 million³⁵ single-use drinks containers had been returned across Ireland, stopping millions of plastic bottles and aluminium cans ending up as litter or in landfill.

The benefits are social as well as environmental. In its first year in Ireland, more than 2,000 schools³⁵, charities, clubs and community organisations registered with DRS for their own fundraising activities. So far, €900,000³⁵ (and counting) has been raised by the 'Return for Children' scheme, which allows people across

Ireland to donate their used drinks containers to benefit six children charities, including Barnardo's and Childline by ISPC.

We therefore have high hopes for a UK wide DRS. We believe it will result in a significant reduction in littering and marine pollution, boost the availability of quality recycled plastic for use as packaging, while delivering similar social benefits to those seen in Ireland. The May appointment of the DMO for England, Northern Ireland and Scotland shows that we are nearing the end of the journey to DRS. **That should be celebrated.**

DRS: the Irish experience

980 million

containers collected in first year³⁵

2,000

charities, schools and community groups registered to use DRS for fundraising³⁵

€90,000

raised by the 'Return for Children' initiative so far³⁵



As we touched on above, sustainability shouldn't be viewed in isolation of commercial interests. After all, 72%³⁶ of shoppers say they are influenced by a desire to be sustainable when they're deciding what food and drink to

put in their baskets. We share these values and continue to place sustainability at the heart of our business strategy. Read on to find out more.

³⁵ <https://re-turn.ie/many-happy-returns-minister-marks-first-birthday-of-the-deposit-return-scheme/>

³⁶ Savanta Grocery Eye Q3 2024 - <https://www.foodmanufacture.co.uk/Article/2024/10/25/what-uk-consumers-want-sustainability-trends-in-food-and-drink/>





CATEGORY OVERVIEW

STILL FIZZING

Despite all the tumult of the past year, UK soft drinks are still fizzing. Producers have again proven their knack for innovation and reinvention. They've shown remarkable agility and tenacity against a backdrop of growing economic and sociopolitical uncertainty¹ to create an ever-widening array of drinks that refresh, excite and deliver against a rapidly evolving range of consumer needs.

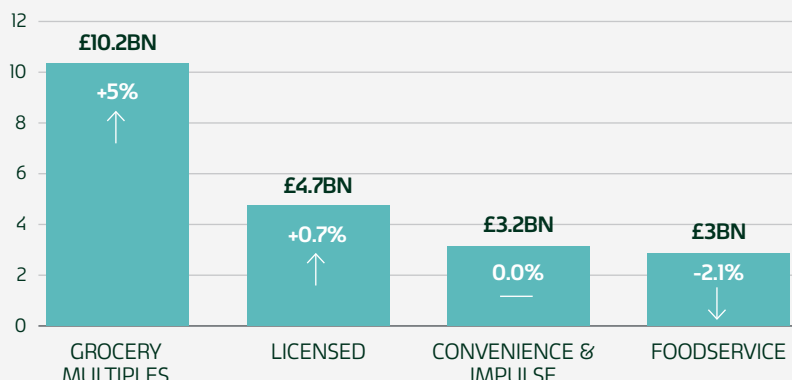
For proof, look no further than the growth the industry has achieved. Overall sales of soft drinks through grocery multiples, convenience and impulse stores, foodservice and licensed venues climbed by 2.2%² to hit a total value of more than £21.1bn 2024.² Remarkably, considering the general pattern of falling spend on discretionary items throughout the year,³ overall volumes have also increased by 0.6%.² That's an extra 72m litres of soft drinks sold.²

¹ IGD Research Economic Viewpoint: Can UK food prosper in 2025

² NIQ & CGA BY NIQ – Grocery Multiples, Convenience & Impulse, Foodservice and Licensed venues – NIQ 52 w/e 28.12.24, CGA by NIQ 31.12.24

³ NIQ Homescan Panel On Demand 52 w/e 28 December 2024

SOFT DRINKS SALES CHANNEL BY CHANNEL⁴



OUT OF HOME
£7.6BN

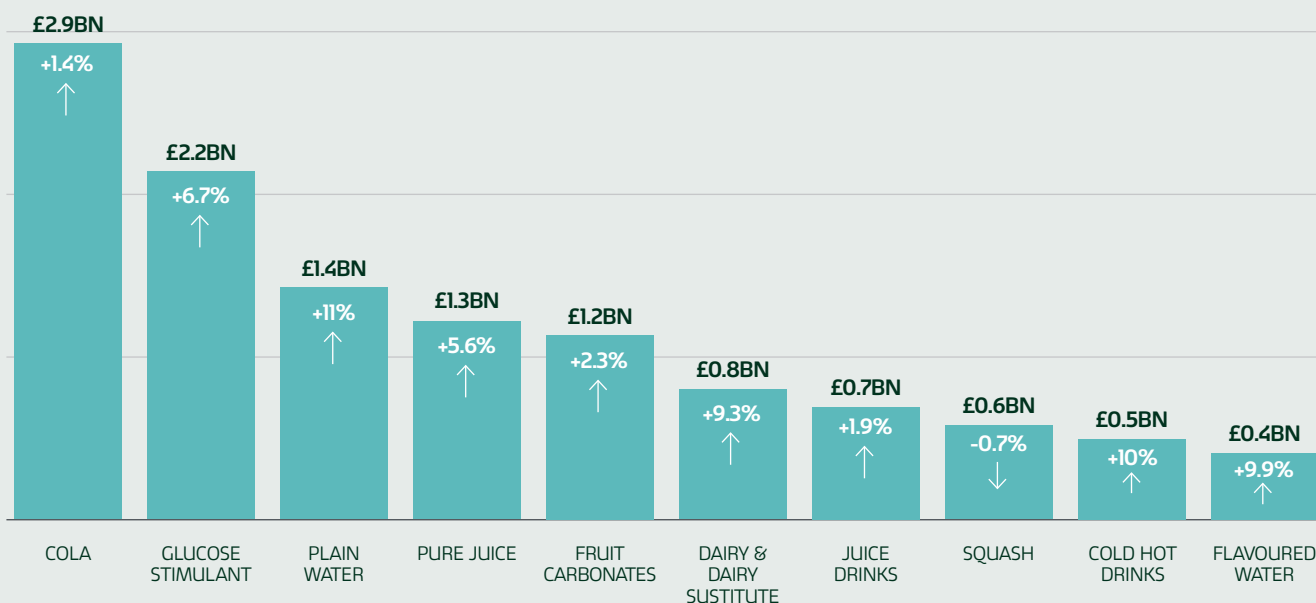


GROCERY,
CONVENIENCE
& IMPULSE
£13.4BN

TOP OF THE POPS

Drinks choices are diversifying. That means retailers and out-of-home operators need to diversify their ranges while ensuring they maintain their core offerings. In grocery, dairy drinks and alternatives, iced coffees and teas, flavoured waters and juices are all driving growth.⁴ Meanwhile, in out-of-home venues, coffee and beverage syrups have delivered much of the growth.⁴

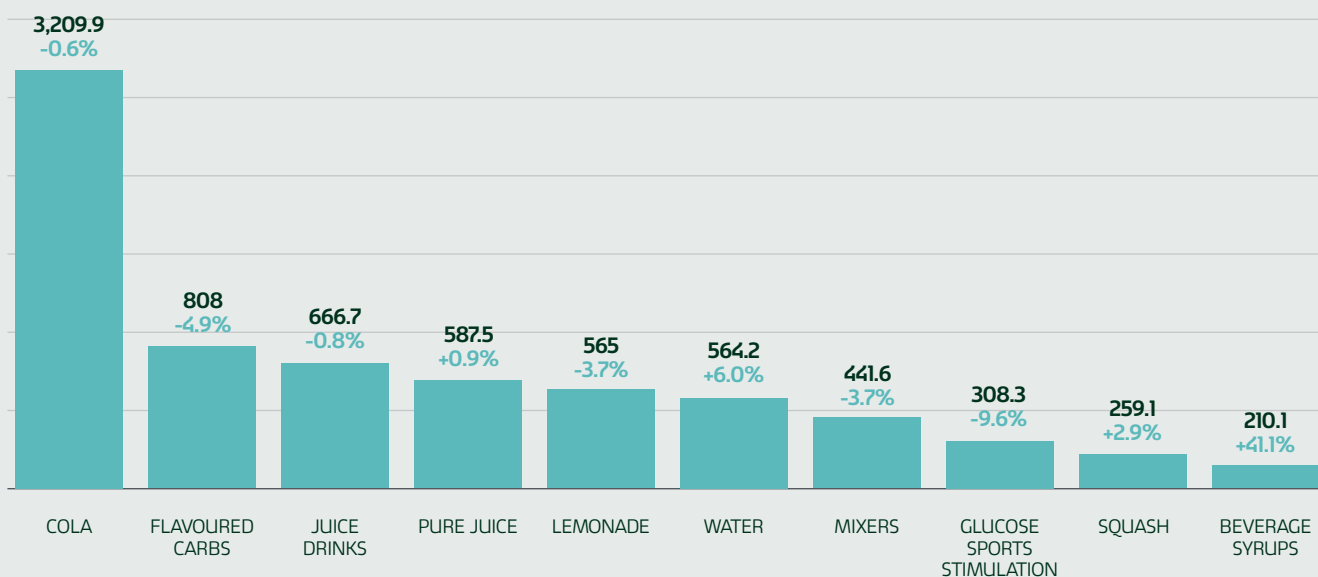
TOP 10 SOFT DRINKS GROCERY⁴



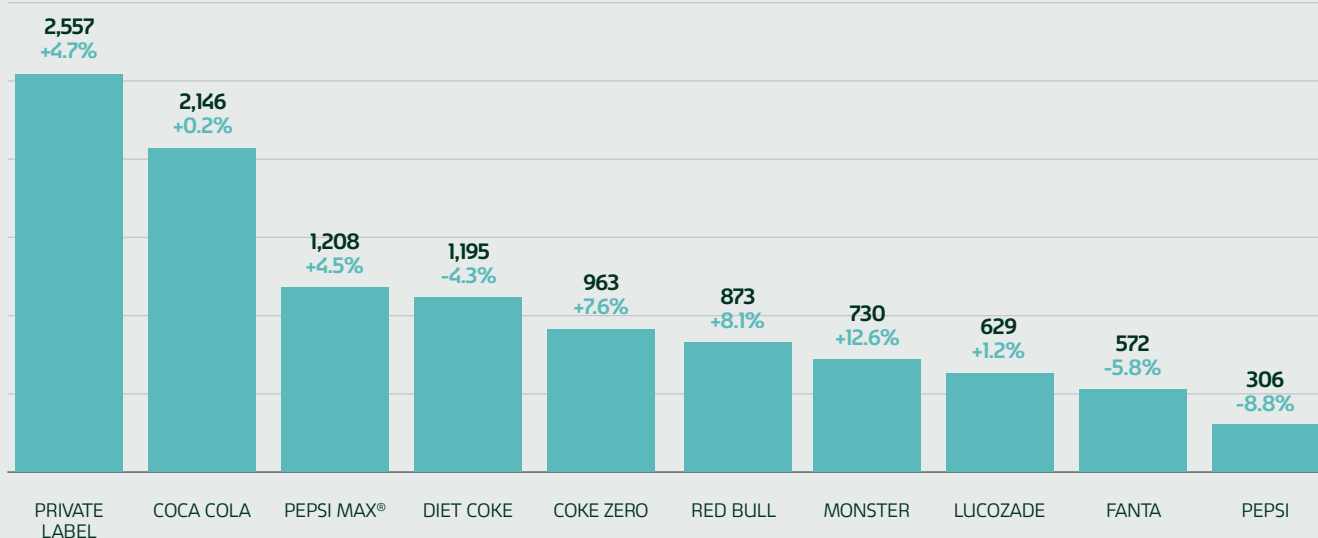
⁴ NIQ & CGA BY NIQ – Grocery Multiples, Convenience & Impulse, Foodservice and Licensed venues – NIQ 52 w/e 28.12.24, CGA by NIQ 31.12.24

⁵ NIQ & CGA BY NIQ – Grocery Multiples, Convenience & Impulse, Foodservice and Licensed venues – NIQ 52 w/e 28.12.24, CGA by NIQ 31.12.24 – Note: Grocery multiples convenience stores (e.g. Tesco Express, Sainsbury's Local, etc) are included as grocery multiples, not convenience & impulse, in this read of the market

TOP 10 SOFT DRINKS OUT OF HOME (£M)⁴



TOP 10 SOFT DRINKS BRANDS (£M)⁴



This growth is testament to soft drinks' relevance, and the ingenuity of the companies that make them. It's been achieved despite significant raw material, packaging and energy cost hikes – with notable increases for plastic,⁶

aluminium,⁷ sugar⁸ and fruit concentrates⁹ – as well as the inevitable impact on demand of poor weather throughout last summer (the coolest since 2015).¹⁰

⁶ <https://www.chemorbis.com/en/plastics-news/European-buyers-switch-to-virgin-PET-as-R-PET-Flakes-prices-soar-/2024/03/28/897269&isflashhaber=true#reportH>

⁷ <https://packagingeurope.com/news/red-sea-shipping-disruptions-increasing-flexible-packaging-prices-says-fpe/11301.article#:~:text=On%20the%20other%20hand%2C%20prices,away%20in%20the%20near%20future.>

⁸ <https://vespertool.com/news/white-sugar-prices-whats-next-for-2025/#:~:text=Since%20October%202024%2C%20European%20white,clear%20recovery%20from%20earlier%20declines.>

⁹ <https://www.thegrocer.co.uk/kvi-price-tracker/orange-juice-prices-hike-as-demand-set-to-outstrip-supply-by-summer/688453.article>

¹⁰ Met Office <https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/weather/learn-about/uk-past-events/summaries/seasonal-assessment---summer24.pdf>

The sector's strong performance should also inspire some optimism as we head further into the uncertainty of 2025. Notwithstanding the impact of potential international trade tariffs,¹¹ businesses are facing ongoing labour and raw material shortages¹² – this year's Brazilian orange harvest is expected to hit a 37-year low¹³ – as well as the cost burden of new regulations such as Extended Producer Responsibility (EPR). By focusing on what we do best, we can continue to grow.

Taking a longer term view of recent years gives further cause for cheer. In 2023, the overall soft drinks sector saw

value sales surge by 6.5%¹⁴ on volumes that fell by 1.5%¹⁴ as producers, retailers and out-of-home operators were forced to pass on the soaring costs they were experiencing. As inflation eased in 2024, we've been able to drive volume growth to deliver strong top line growth.

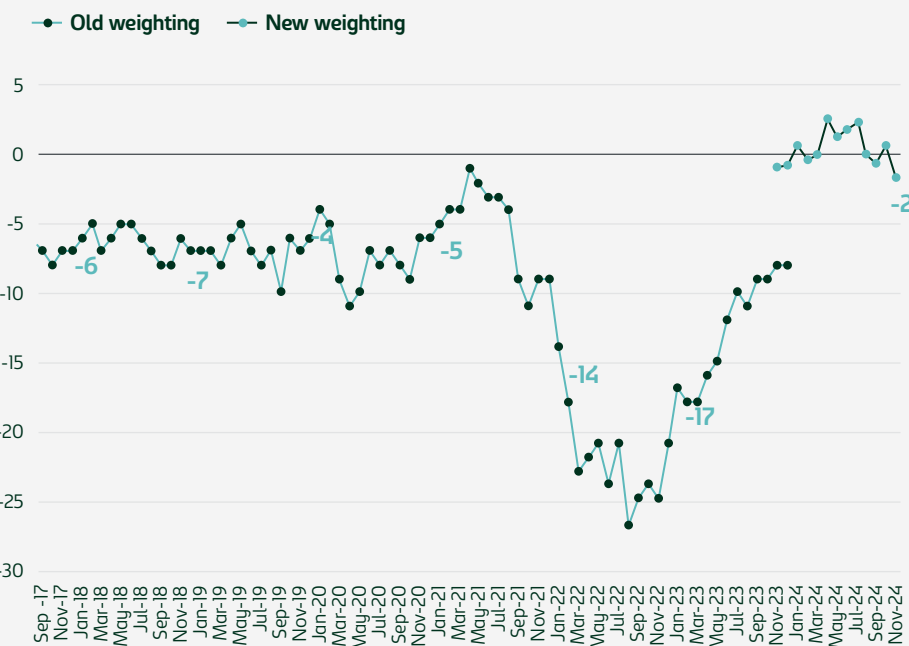
Not all change is unwelcome, of course. As we explored in the previous chapter, the implementation of the nationwide Deposit Return Scheme (DRS) in October 2027¹⁵ will increase recycling rates, reduce littering and ensure greater availability of quality recycled PET plastic – all positives for planet and people.

QUESTIONS OF CONFIDENCE

Consumer confidence levels have been on a rollercoaster in recent years as global shocks and events closer to home have made headlines and changed lives.¹⁶ All this is affecting the beverages people are choosing to drink,

with health motivations tending to rise as confidence increases and demand for indulgent treats rising as it falls.¹⁷ Therefore it's important drinks ranges meet a variety of consumer needs.

IGD SHOPPER CONFIDENCE INDEX¹⁶



- Ongoing fears of higher living costs in future
- Retail demand low, poor Christmas trading
- Food retail volumes flat-lining
- Away-from-home volumes also weak
- But not all shoppers are in the same place
- Businesses need to be smart and agile
- There are still growth opportunities

¹¹ <https://www.theguardian.com/world/2025/apr/10/us-china-trade-war-intensifies-as-beijings-tariffs-come-into-effect-after-trump-pause>

¹² IGD Research Economic Viewpoint: Can UK food prosper in 2025

¹³ <https://www.producereport.com/article/severe-drought-disease-drive-brazils-orange-harvest-37-year-low#:~:text=Forecasts%20from%20Brazil's%20citrus%20industry,lowest%20output%20since%201988%2F89>

¹⁴ NielsenIQ - grocery, impulse & convenience and discounters 52 w/e 30.12.23 - combined with CGA by NielsenIQ - out-of-home 52 w/e 31.12.23

¹⁵ <https://www.thegrocer.co.uk/news/supermarket-bosses-demand-2027-deposit-return-scheme-start-date-is-scrapped/699849.article>

¹⁶ IGD ShopperVista – Minimum 1,000 national-representative British Shoppers each month 2024

¹⁷ Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10.07.22 and 52 w/e 07.07.24

So, there are still many reasons for cheer, both for soft drinks and the wider industry. There's evidence to suggest that – despite a dip in frequency of pub visits in the past year¹⁷ – when people do go out, more are choosing to raise their glasses with premium drinks.¹⁸

Again, our sales figures back this up. Jimmy's Iced Coffee has achieved value growth of 191%¹⁹ in the licensed and foodservice channels in the past year as more operators use the brand's range to satisfy growing demand for premium iced coffee. The Teisseire flavour syrups range has grown by 59%¹⁹ in value in licensed and foodservice outlets as demand for a wider range of flavour experiences – in both hot and cold drinks – continues to grow.



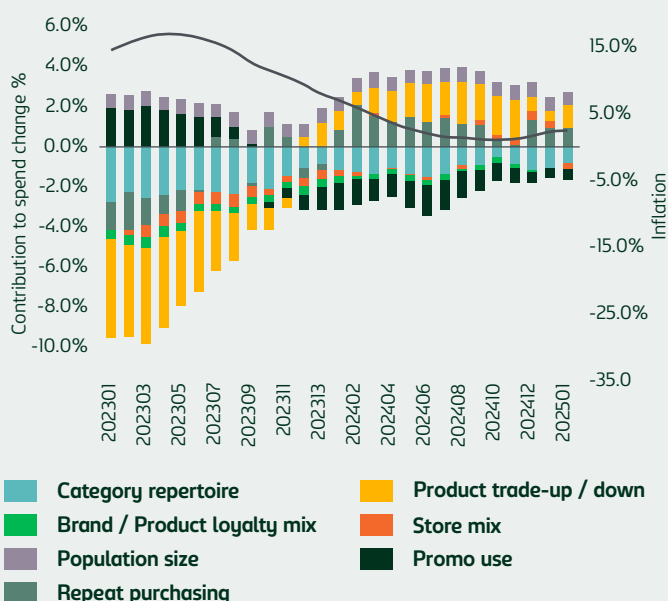
LOYALTY

Shoppers are using loyalty cards and buying more on promotion to manage their finances more effectively. This means that inflation is no longer the greatest contributor to growth. Trading up to more premium food and drink and repeat purchasing are now the key driving factors behind this growth.²⁰

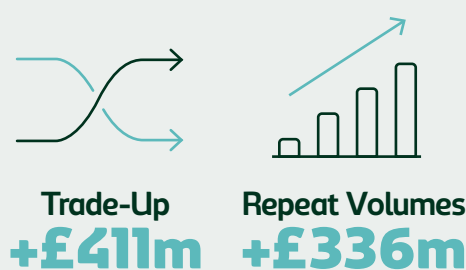
HOW ARE SHOPPERS TRYING TO MANAGE SPEND²⁰ (% OF SHOPPERS)



ATTITUDINAL SHIFTS TOWARDS FINANCES IS TRANSLATING INTO HOW WE SHOP, INFLATION IS NO LONGER THE MAIN CONTRIBUTOR TO GROWTH, **SHOPPERS ARE TRADING-UP PRODUCT MIX²¹**



GREATEST RETURN TO GROWTH



Tweaks in product choice (e.g. changing brands, buying different pack sizes)

Impact of buying more of the same kinds of products

18 Kantar FMCG Panel Pressure Groups (01.12.24) and Coping strategies (12 w/e January 2025)

19 CGA by NIQ, FS&L Database, Total OOH, Value Sales MAT vs YA 31.12.24

20 Kantar Worldpanel – Panel Voice Survey – Pressure Groups Survey – Nov 2024 – 9,767 panellists interviewed

21 Data for 12 w/e 26.01.25 – Kantar Purchase Panel Levers for growth analysis - Trended

Consumers' growing health consciousness is another big opportunity, both in grocery and the out-of-home channels. More people are moderating how much alcohol they drink, or cutting it out altogether, with 46%²² of people in the UK now falling into the former camp (up from 36% in 2018²²) and 17%²² into the latter (up from 12% in 2018²²). Given that switching to soft drinks is the second most popular way of cutting down on alcohol,²² the growth opportunities are clear.

Indeed, 318 million soft drinks servings were consumed as an alternative to alcohol in UK homes in 2024,²³ a rise of 16 million (5.3%) versus five years ago.²³ Net switching from alcohol to soft drinks has delivered £51.2m growth²⁴ (£14.7m for low and no options²⁴) in the past year. This is where premium soft drinks and low and no alcohol brands come into play.

Whereas previous generations' drinks repertoires were limited to a few staples, today's consumers are demanding a far wider range of drinks. Carlsberg Britvic is in a unique position in the UK to meet these demands, with everything from craft beer and mainstream lagers and low/no alcohol alternatives like Brooklyn Special Effects and 1664 Bière 0.0 through to mega brands like Pepsi MAX® and 7UP and drinks with functional benefits such as Purdey's.



MODERATION NATION²³



Abstinence
17%
(vs. 12% in 2018)



Moderation
46%
(vs. 36% in 2018)

Methods of moderation

- #1 Drinking on fewer occasions
- #2 Drinking soft drinks
- #3 Having fewer drinks when drinking
- #4 Drinking no-low alcohol alternatives



²² Kantar Worldpanel Division Alcovision Data to 30.09.24

²³ Kantar Worldpanel Division In Home & Carried Out Usage Panel 52 w/e 29.12.24 vs. five years ago

²⁴ Kantar Worldpanel Division FMCG Take Home 52 w/e 29.12.24

AS A RESULT, WE ARE SEEING SPEND SHIFT FROM **ALCOHOL INTO SOFT DRINKS, AS WELL AS NO & LOW²³**

NET SWITCHING FROM ALCOHOL



318m

in-home soft drinks servings consumed for 'alternative to alcohol' in latest year

+16m

servings vs. 5YA



Share of serves as 'an alternative to alcohol'

3.5

13.9

2020
2024

Great tasting drinks without the calories have become the norm for UK consumers – thanks partly to the success of drinks such as Pepsi MAX[®], the UK’s bestselling zero-sugar full-taste cola,²⁵ 7UP and Tango Sugar-Free and they continue to offer lucrative growth opportunities for retailers and out-of-home operators. But concepts of health are evolving, and new opportunities are arising from growing demand for drinks with functional health benefits and natural credentials.

Indeed, 35% of soft drinks shoppers are classed as 'health moderates',²⁶ meaning that they adopt some healthy diet and lifestyle practices, and a further 26% are health actives,²⁶ meaning that they adopt several of these practices. Collectively, these groups spend £96.7bn on FMCG a year,²⁶ a figure that dwarfs the £50.5bn²⁶ people who take a more relaxed approach to health and wellbeing spend. As we explore below, we expect consumer health consciousness to grow over the coming year.


This is why growing numbers of our partners are serving up products such as Plenish, health shots and plant-powered m*lks alternatives, as well as Purdey’s Natural Energy drinks and Aqua Libra natural still, sparkling and infused waters. It is also the inspiration behind our new Lipton Kombucha range, a trio of refreshing, lightly sparkling drinks with naturally fermented tea, available in Mango Passion fruit, Raspberry and Strawberry Mint flavours.



25 NIQ & CGA BY NIQ – Grocery Multiples, Convenience & Impulse, Foodservice and Licensed venues – NIQ 52 w/e 28.12.24, CGA by NIQ 31.12.24
26 Kantar Worldpanel Europanel, Gfk – Who Cares? Who Does? Health Survey 2024 %GB

HEALTHY GROWTH²⁷


TOTAL FMCG SHOPPERS



HEALTH ACTIVES
Adopt numerous diet and lifestyle practices

£47.4bn
Spend on FMCG

2.1bn
FMCG shopping trips



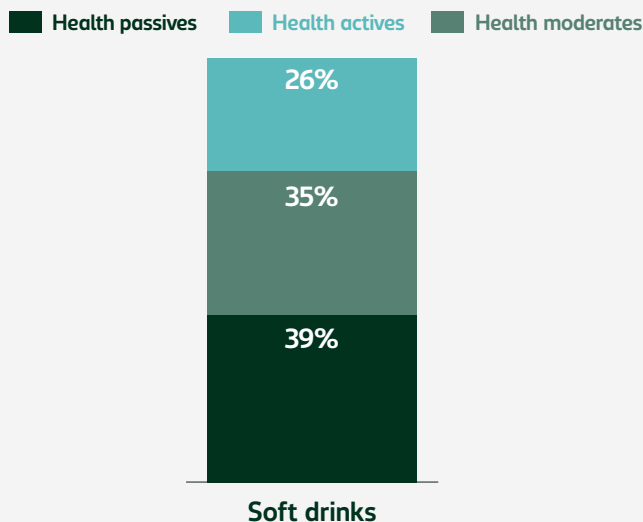
HEALTH PASSIVES
Do not adopt many diet and healthy lifestyle practices

£50.5bn
Spend on FMCG

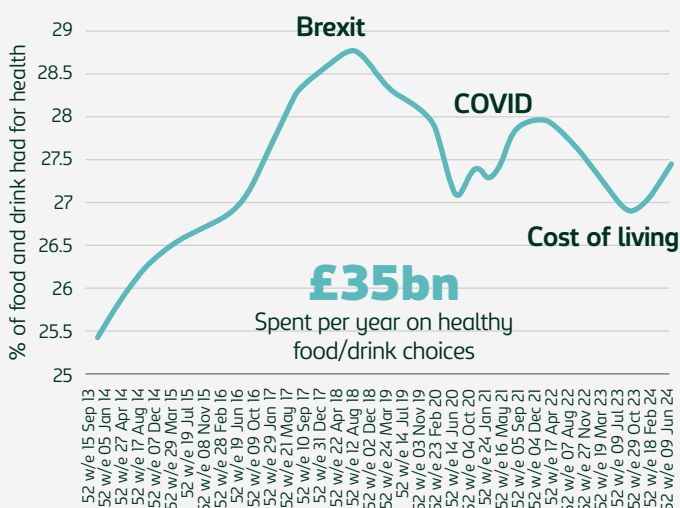
2.1bn
FMCG shopping trips

35% of soft drink shoppers try to adopt a healthy lifestyle, but with limited success

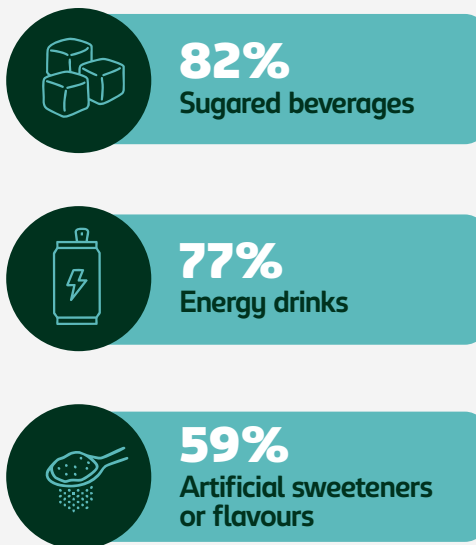
% HOUSEHOLDS



Despite this, health typically makes a resurgence after turbulent events slow down



% of Britain viewing as harmful



DO THE KOMBUCHA CHA CHA WITH LIPTON'S LATEST LAUNCH

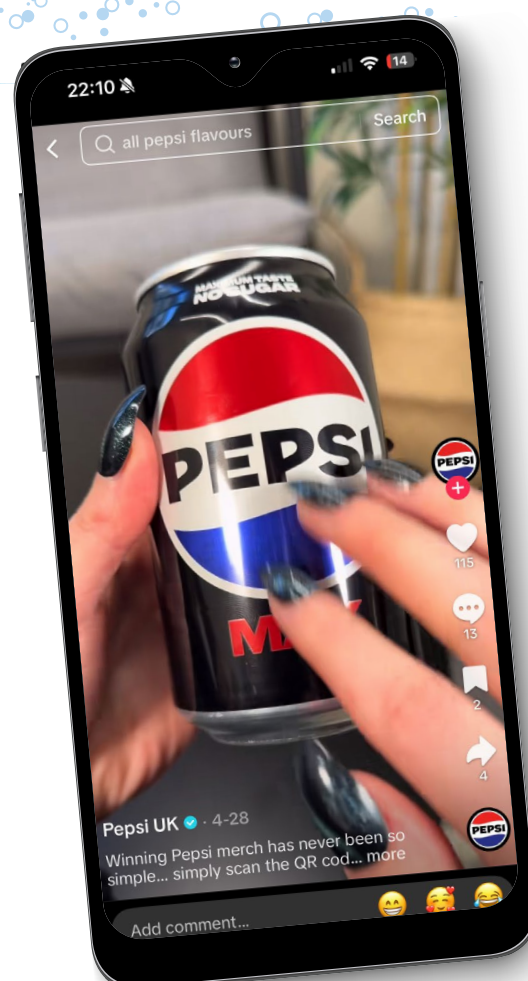
The UK is going crazy for kombucha, the fermented tea that can trace its origins back to Ancient China. Sales have surged by 39%²⁸ in the past five years and hit £33m in 2024.²⁸ Now Carlsberg Britvic is bringing kombucha – or 'booch' to aficionados – into the mainstream with the launch of three delicious Lipton Kombuchas.

Lipton, the tea experts, have blended delicately sparkling drinks with naturally fermented tea with three different flavour combinations – Mango Passionfruit, Raspberry and Strawberry Mint – to create these refreshing, naturally low sugar and calorie beverages. The drinks are already making a splash online, attracting 1.9m views and 50k interactions on TikTok when we launched in March. **Bish bash booch!**



It's not just the soft drinks that people are buying that are continuing to evolve. As we've seen, so too are the places people are choosing to buy them and consume them. Online channels continue to grow for soft drinks players, commanding 14.9% of value sales in 2024,²⁹ up from 13.8% in 2022.²⁹ Carlsberg Britvic, meanwhile, overtrades online, with 18.6%²⁹ of revenues coming from digital channels, up from 17.5% in 2022.²⁹

The online retail landscape is changing, with specialist, pure play, quick commerce and DTC platforms all outgrowing traditional online retailers, both in terms of general FMCG and soft drinks sales. Social commerce is also a growing force online, with TikTok now the UK's sixth largest e-commerce platform,³⁰ despite it only setting up in late 2021. Pepsi, meanwhile, has become the top selling soft drink on TikTok Shop.³⁰



28 Nielsen IQ RMS Total Coverage, Britvic Defined Kombucha universe, Value sales, 52w/e 21.12.24

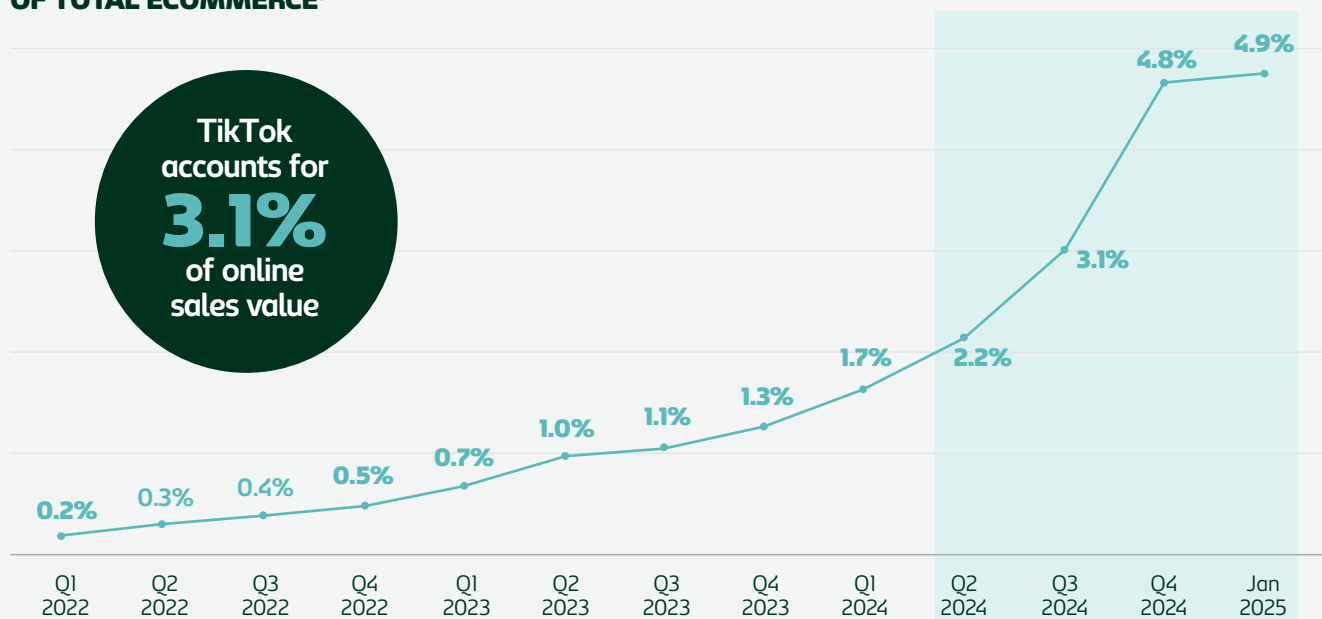
29 NIQ Omnisales – Data to 28.12.24

30 NIQ Digital Purchases – Total Ecom – Value Market Share – data from 01.01.22 to 26.01.25

TOP ON TIKTOK

It's official: Pepsi MAX® is the top-selling soft drink on TikTok.³¹ This has been achieved by working with PepsiCo digital partners to amplify our presence on the platform through native content, affiliate partnerships and live broadcasts. But it's not just Pepsi. We also sell Rockstar Energy®, Lipton, J2O, Tango and Aqua Libra on the platform.

TIKTOK'S VALUE MARKET SHARE OF TOTAL ECOMMERCE³¹



TikTok Shop

ISN'T JUST FOR GEN Z

	Value share	Penetration
Gen Z	21.5%	34.3%
Gen Y	36.0%	26.0%

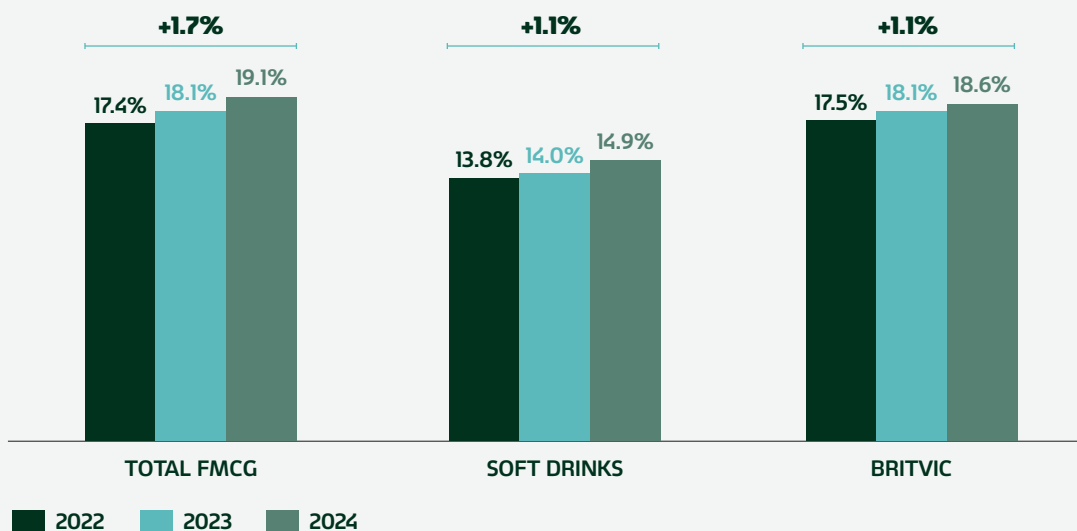
#11 E-retailer in non-alcoholic beverages



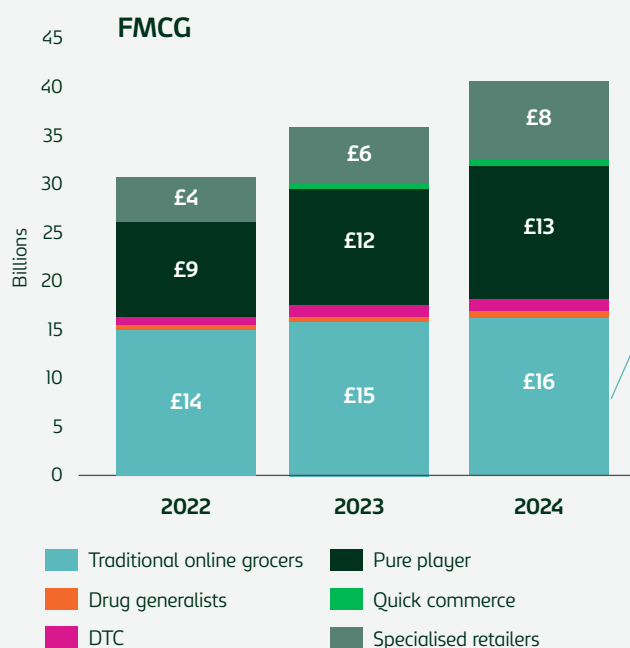
31 NIQ Digital Purchases – Total Ecom – Value Market Share – data from 01.01.22 to 26.01.25

HOW THE ONLINE LANDSCAPE IS CHANGING

ONLINE IS GROWING IMPORTANCE YOY ESPECIALLY FOR SOFT DRINKS³²



TRADITIONAL ONLINE GROCERS, HOWEVER, ARE NOT GROWING AS FAST AS OTHER ONLINE CHANNELS³²

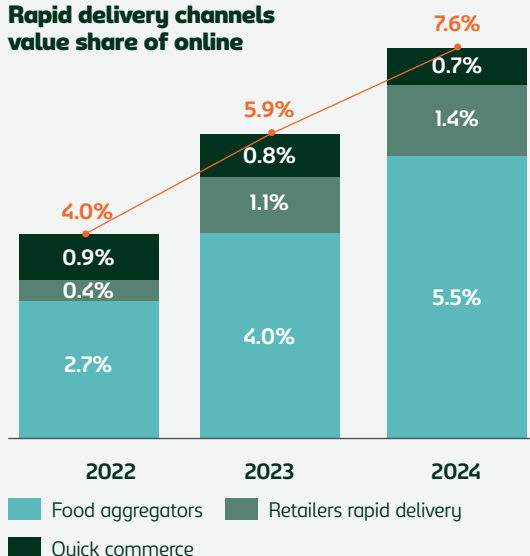


Val % change

	FMCG	Soft drinks	TSD share of FMCG
Traditional online	+2.6%	+6.6%	+£88.1m
Pure player	+14.1%	+20.4%	+£79.8m
Quick commerce	+49.3%	+55.4%	+£24.3m
Specialised retailers	+35.6%	+349.1%	+£40.1m
Drug generalists	+18.1%	+15.4%	+£0.4m
DTC	+9.1%	+37.0%	+£2.6m

RAPID DELIVERY CONTINUES TO EXPAND HELPING **ONLINE TAP INTO DIFFERENT MISSIONS**³³

Rapid delivery channels value share of online



SOME RETAILERS HAVE EXPANDED TO OFFER **ULTRA FAST DELIVERY TO THEIR CUSTOMERS**

Retailer rapid delivery

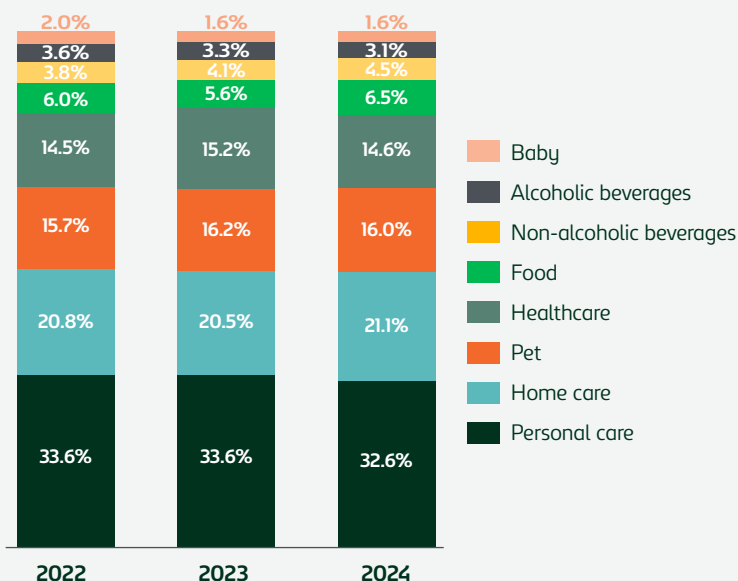


Retailers through food aggregators



AMAZON IS DEFINITELY WORTH THE **CONSIDERATION WITH LARGER PACKS**³⁴

#1 Non-alcoholic beverages top grower vs 2YA



TOP PRODUCTS **ON AMAZON**

64% Continue to growth



³³ NIQ digital purchases - FMCG - Full year, 2022, 2023, 2024 - Read as 'rapid delivery holds a 7.6% share of total online, of which food aggregators hold a 5.5% share'
³⁴ NIQ Omnisales data to 28.12.24

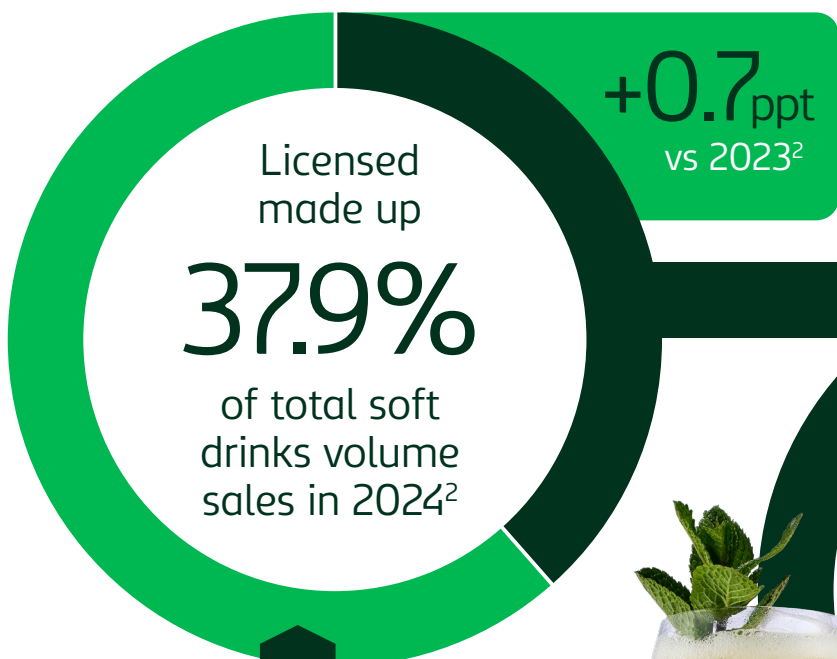
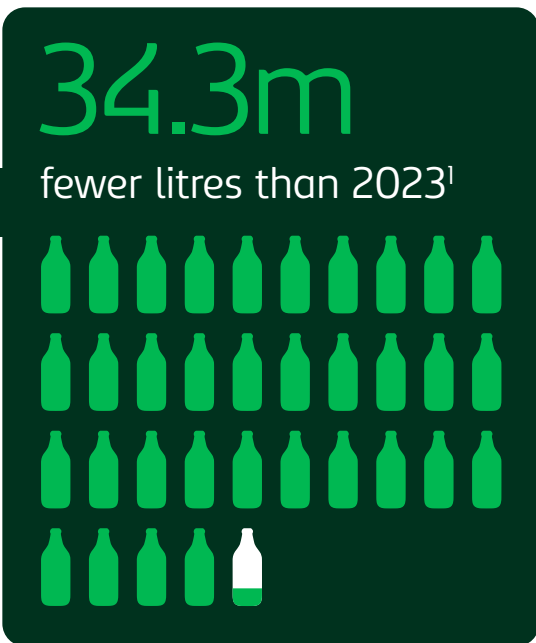
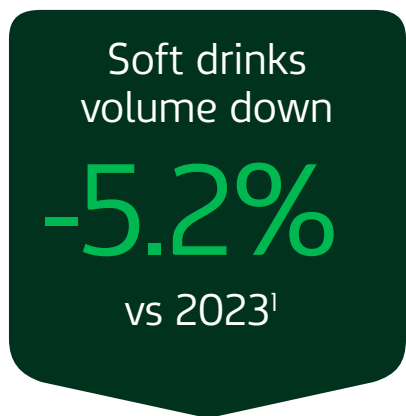


As we've explored, the challenges the wider FMCG industry is facing are also presenting considerable opportunities for soft drinks. Realising these will rely on producers continuing to adapt their portfolios and balancing multiple and, at times, contradictory demands by offering exciting new flavour profiles, functional

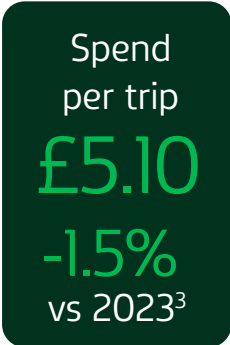
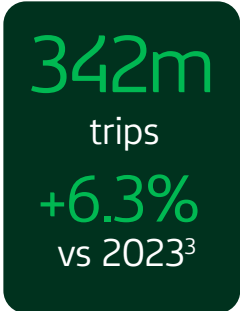
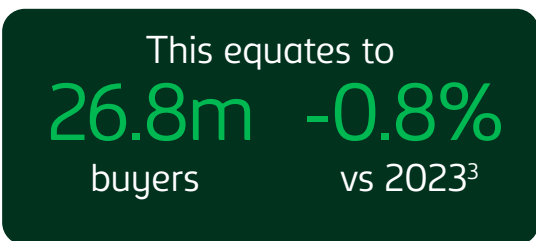
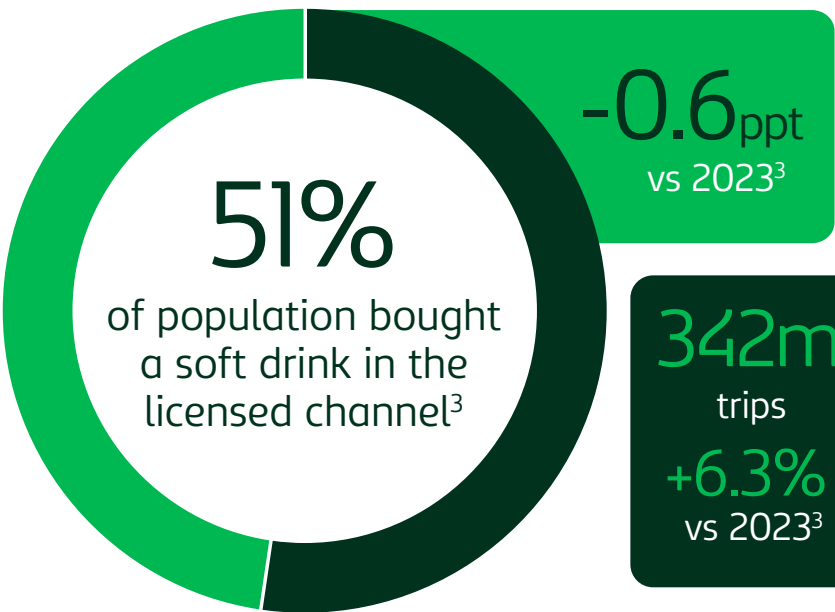
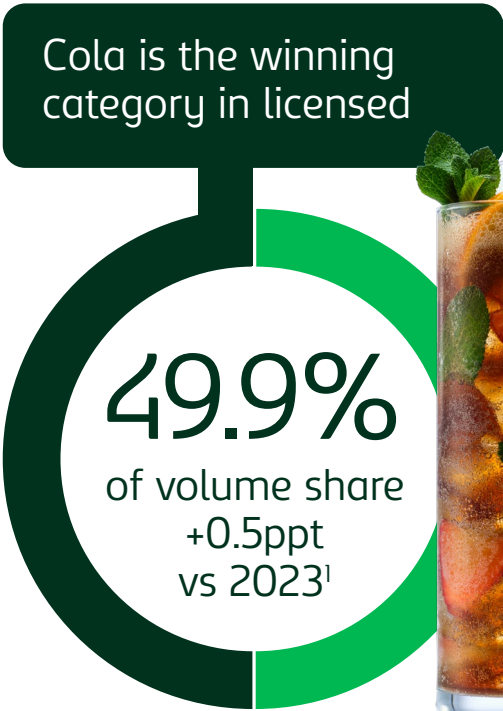
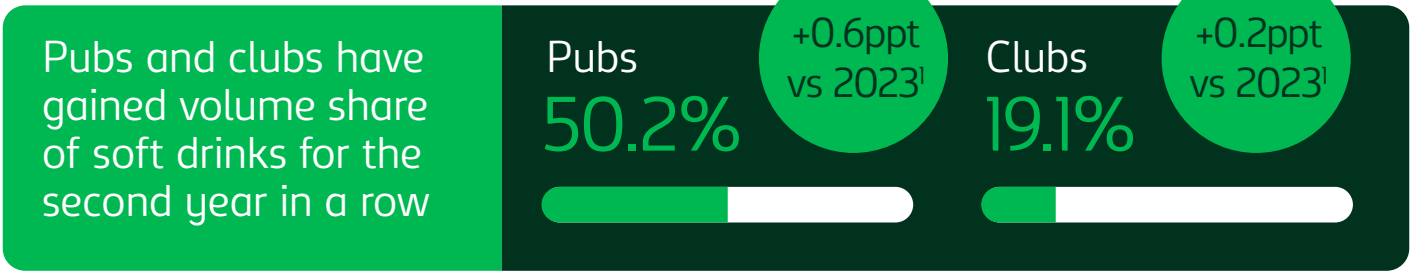
health benefits, premium alcohol alternatives, indulgent treats and great value for money.

Read on to find out how we're doing this in the different channels we serve...

2024 IN NUMBERS



¹ CGA by NielsenIQ, Licensed, Volume Data, Soft Drinks Britvic Defined, MAT to 31.12.2024
² CGA by NielsenIQ, Licensed, Volume and Value Data, Soft Drinks Britvic Defined, MAT to 31.12.2024



LICENSED CATEGORY OVERVIEW

THE QUEST FOR QUALITY SOFT DRINKS

The UK pub trade passed several landmarks in 2024. Not only did the decades-long decline in pub, club and bar numbers come to an end (there were 99,120 licensed venues trading, a rise of seven outlets on the previous year¹); there was also a sea change in attitudes to going out to eat or drink. 'Quality' overtook 'value' as people's top priority when deciding where to go.² Crucially, record numbers are choosing to drink less when they got there.³

¹ CGA by NielsenIQ outlet index – December 2024

² Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

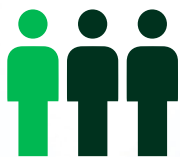
³ KAM Low+No Drinking Differently 2024



One in three trips to pubs, clubs and bars is now an alcohol-free affair.⁴ This reflects the growing number of people who are either moderating how much alcohol they drink or choosing not to drink it at all.⁴ Research shows that 20% of the UK population are now teetotal⁵ and, of those who do still enjoy a tipple, nearly half (43%) say they are planning to cut down on their alcohol consumption.⁵

Of course, this poses a significant challenge to operators that rely on alcohol for the bulk of their sales. But, not everyone who's cutting down is simply buying fewer drinks or going out less often. Research suggests that 25% of 18 to 24-year-olds and 24% of 25 to 34-year-olds are adopting so-called 'zebra-stripping' strategies (alternating between alcoholic and non-alcoholic drinks) and 18% of the former and 22% of the latter are opting for smaller measures.⁶

In fact, the pursuit of quality by consumers in licensed venues and the growing numbers who are moderating their alcohol intake present huge opportunities for soft drinks and low and no alcohol alternatives in pubs, clubs and bars. But before we dive into how Carlsberg Britvic is working to deliver sensational serves and unforgettable experiences with our partners, let's explore how the licensed trade has continued to evolve in the past year.



One in three
trips to pubs, clubs
and bars is now an
alcohol-free affair⁴



⁴ Everleaf x KAM Raising the Bar 2024 - YouGov

⁵ Kantar Worldpanel Division Alcovision Data to 30.09.24

⁶ <https://www.standard.co.uk/lifestyle/zebra-stripping-christmas-party-drinking-trend-b1196440.html#:~:text=Zebra%20stripping%20follows%20the%20old,for%20less%20than%20%C2%A37.>

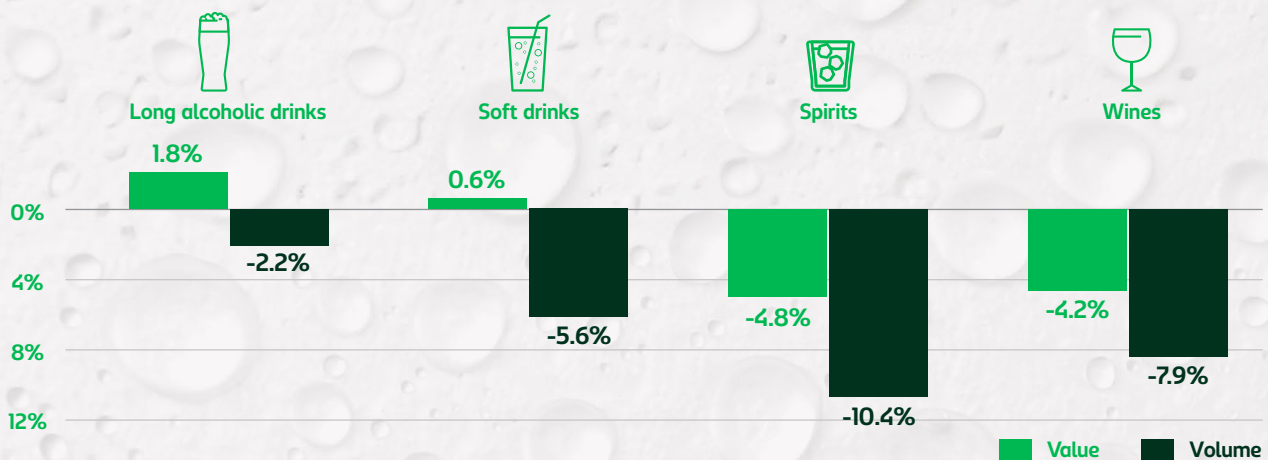
SOFT AND STRONG

While overall drinks sales through licensed venues dipped by 0.7% to £31.2bn on volumes down 3.4% in 2024⁷ – primarily because consumers were visiting pubs less often⁸ – soft drinks sales have climbed by 0.6% to £4.6bn on volumes down 5.6%.⁹ That means people spent an extra £300m on soft drinks in licensed venues last year,⁹ making them the strongest performing sub sector after long alcoholic drinks such as beer and cider.⁹



	2024	% CHANGE
TOTAL DRINKS SALES	£31.2bn	↓ -0.7%
SOFT DRINKS SALES	£4.6bn	↑ +0.6%

DRINK SALES % CHANGE YOY⁹



⁷ CGA by Nielsen IQ, Licensed, Value sales, 52 w/e 28.12.24

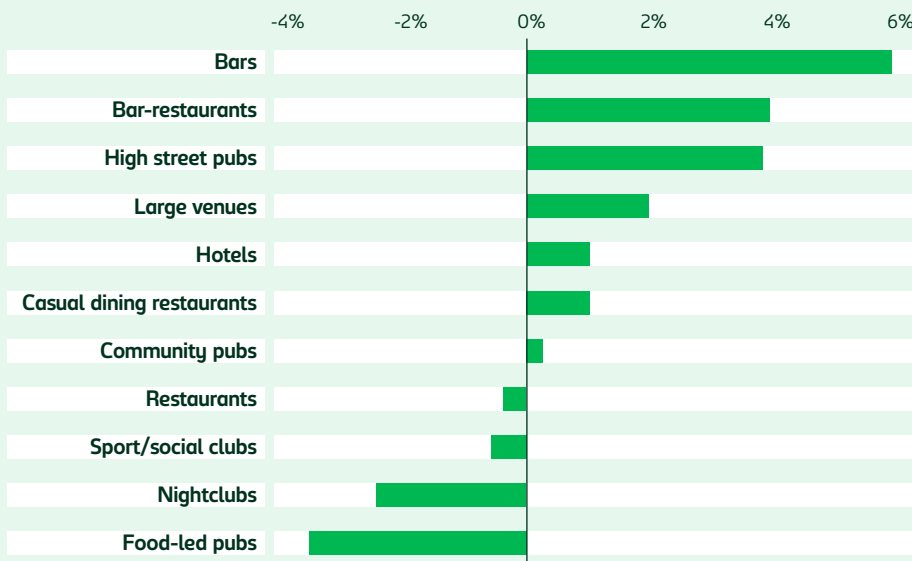
⁸ Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

⁹ CGA by Nielsen IQ, Total Licensed, Value sales, 52 w/e 28.12.24

LICENSED VENUE NUMBERS **STABILISE**¹⁰

The number of licensed venues in the UK in 2024 remained more or less unchanged on the previous year (in fact, there was an increase of seven venues).¹⁰ Although the sector still faces challenges – not least the March end to business rate relief¹¹ and April’s rise in employer National Insurance contributions¹² – this should be celebrated. After all, venue numbers declined by 2.9% in 2023¹³ and by 4.5% in 2022¹³.

VENUE CHANGE **2024**



THE REBIRTH OF THE PUB TRADE

The UK’s towns and city centres are being reborn, with vibrant new bar, bar-restaurant and high street pub openings playing a key role in halting the overall decline in outlet numbers. These types of venues saw respective increases in outlets of 5.9%, 4.1% and 3.7% in 2024.¹⁴ Food-led pubs, nightclubs and restaurants saw the sharpest declines, of 3.2%, 2.7% and 0.6% respectively.¹⁴ There was also a 0.4% dip in community pub numbers.¹⁴

Against this backdrop, total drink sales dipped by 0.7% to £31.2bn in 2024,¹⁵ while volumes declined by 3.4%.¹⁵ Soft drinks have performed relatively well, with value sales increasing by 0.6% to £4.6bn,¹⁵ while volumes have dipped by 5.6%,¹⁵ making them the second strongest performing drinks type after long alcoholic drinks, which are up 1.8% on volumes down 2.2%.¹⁵

¹⁰ CGA by NielsenIQ outlet index – December 2024

¹¹ <https://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme>

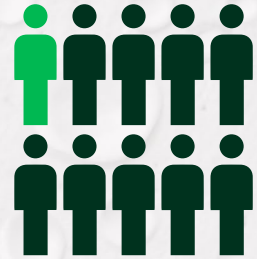
¹² <https://www.gov.uk/government/publications/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl/changes-to-the-class-1-national-insurance-contributions-secondary-threshold-the-secondary-class-1-national-insurance-contributions-rate-and-the-empl>

¹³ CGA by NielsenIQ outlet index – December 2023 - <https://www.thespiritsbusiness.com/2025/01/britain-bar-numbers-grow-in-2024/#:~:text=The%20total%20number%20of%20licensed,4.5%25%20and%202.9%25%20respectively.>

¹⁴ CGA by NielsenIQ outlet index – December 2024

¹⁵ CGA by Nielsen IQ, Total Licensed, Value sales, 52 w/e 28.12.24

ONE IN 10 PEOPLE VISIT PUBS EVERY WEEK¹⁶

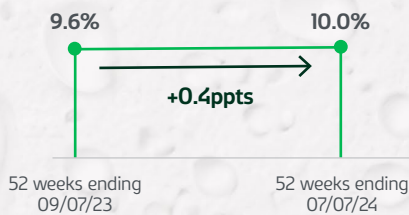


One in 10 people visited pubs at least once a week in 2024,¹⁶ a slight increase on 2023, when 9.6% of the population did.¹⁶ But frequency has fallen. In 2023, people visited pubs on an average of 1.17 occasions a week;¹⁶ in 2024, that number dipped by 1.7% to 1.15.¹⁶ This underlines the importance of providing elevated experiences and a sense of occasion when people do visit.



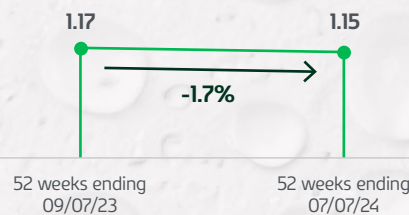
PENETRATION

Proportion of consumers who have had an eating/drinking out occasion in past 7 days



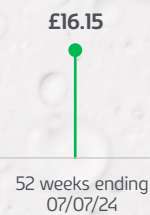
VISIT FREQUENCY

Average visits per customer in the past 7 days



AVERAGE SPEND

Average spend per person per visit



ELEVATED EXPERIENCES

So, as we've seen, it's increasingly been a case of quality over quantity for pubgoers in the past year. The number of people identifying as 'very value-led' has dipped, while those describing themselves as 'very quality-led' has increased.¹⁶ This is on top of a 1.7% fall in visit frequency and a 0.4% pt increase in the proportion of people visiting pubs or restaurants at least once a week.¹⁶ One in ten now go out to eat or drink at least weekly.¹⁶

Clearly, the pubs, bars and restaurants that can deliver quality at the right price stand to make the biggest gains. But to do this, it's important to first understand how concepts of quality are changing. Of course, the food, drink, service, value and general ambience of venues are crucial, but so too is the overall experience they offer. In fact, the greatest increase in consumer types has been among those who describe themselves as 'very-experience-led', up 0.8% points to 63.8%.¹⁶



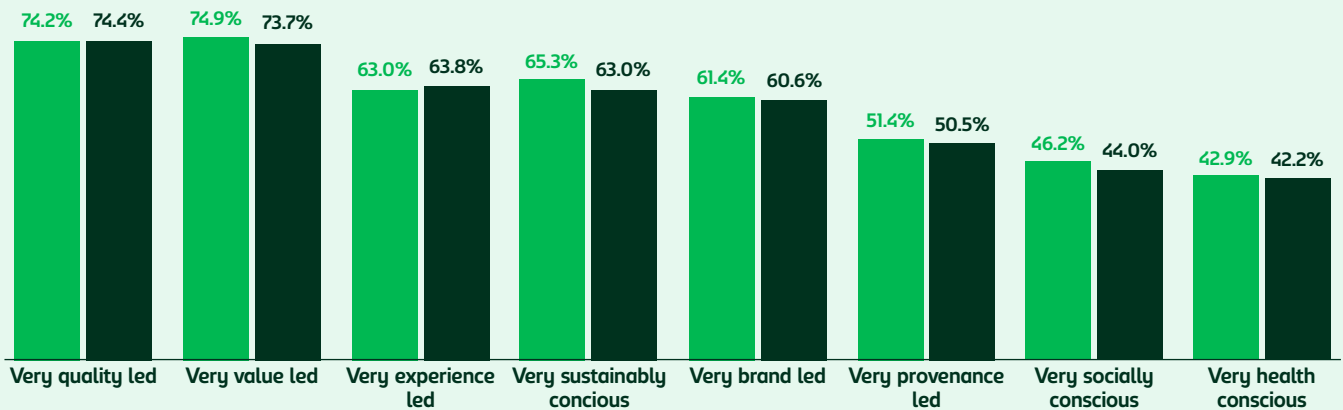
¹⁶ Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

QUALITY IS KING¹⁷

Quality is again the most important factor for visitors to the UK's licensed venues, having overtaken value for money as inflation began to ease last year.¹⁷ That the margin between these considerations is still narrow (just 0.7% points)¹⁷ makes one thing clear: operators that offer quality drinks, food and experiences while ensuring their guests continue to rate them in value terms stand to make the greatest gains.

PSYCHOGRAPHICS

■ 52 w/e 09.07.23 ■ 52 w/e 09.07.24



ON TOP OF YOUR GAME

Changes in customer priorities are helping to fuel innovative new venue concepts. Customers are looking for more premium experiences to enjoy as groups. Hence the rise of so-called 'competitive socialising' venues that combine games and experiences – escape rooms, axe throwing, digital darts, virtual driving simulators... you name it! – with great food and drink.

People can play old-school fairground games at Fairgame or Fayre Play in Edinburgh and Glasgow, hit home runs at London baseball bar and diner, Moonshot, or even battle zombie hordes in full-body immersive virtual reality, in Sandbox VR in Birmingham, London and Dublin. Social cricket chain, Sixes – which puts people's hand-eye coordination to the test in innovative, tech-enabled batting cages – is expanding too, with venues now operating in several places across the UK, US and Caribbean.

Downing pints and hitting sixes – let alone slaying zombies – probably aren't the best mix. To help guests stay on top of their game, these venues put soft drinks on an equal footing with alcohol on their menus. Fayre Play offers drinks such as the 'Wee Shocker' (fresh lemon juice, gomme and malic acid) and 'Player's Punch' (ginger beer, fresh pineapple and lime cordial), while Sixes and Moonshot use London Essence Company's crafted sodas to elevate their soft drinks offerings.



COOL ALCOHOL-FREE SERVES

At social cricket chain, Sixes, baseball bar, Moonshot and many other gaming venues across the UK, alcohol-free drinks are anything but drab. These businesses are using Carlsberg Britvic serves to help their guests stay on top of their game and celebrate in style, whether they win or lose. Here are three of the coolest alcohol-free serves...

CUCUMBER COOLER

London Essence Company White Peach & Jasmine Crafted Soda

Everleaf Mountain Non-Alcoholic Aperitif

Cucumber

Garnish with cucumber slice and jasmine flower

PASSION PINEAPPLE HIGHBALL

London Essence Company Roasted Pineapple Crafted Soda

Passion fruit Pulp

Garnish with chilli and
pineapple slice

WOODSTOCK

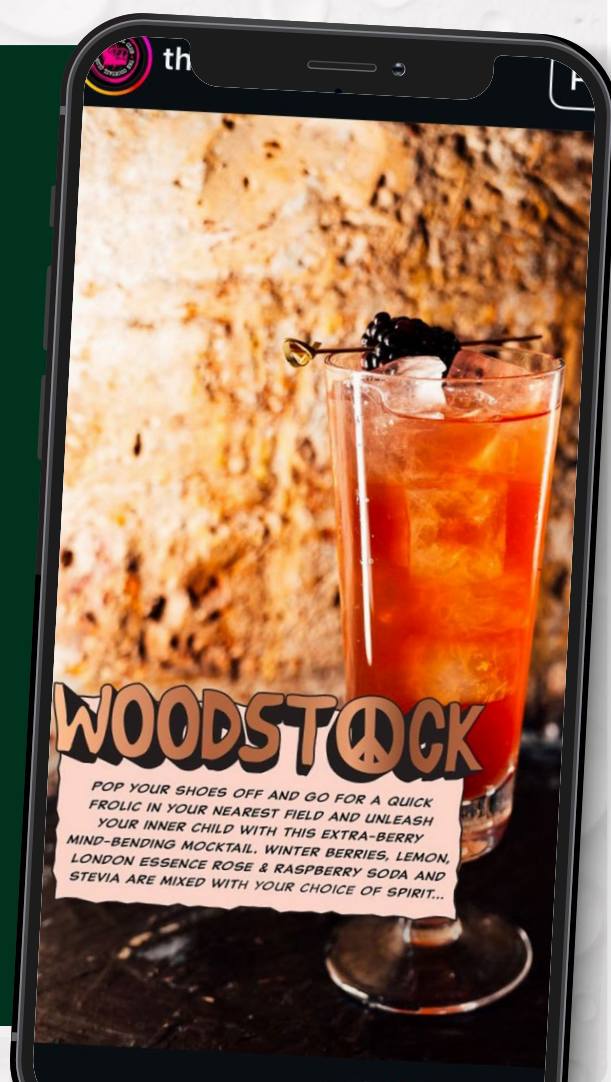
London Essence Company Raspberry & Rose Crafted Soda

Winter berries

Lemon

Smiling Wolf Zero Alcohol Gin

Garnish with mint and raspberries



Nevertheless, for most pubs, bars and restaurants, food and drink will always be the stars of the show. Operators of these sorts of venues should also carefully consider how they can raise the stakes in terms of the experience they provide. After all, the number one influence on outlet choice is quality of food and drink, as cited by 50% of pubgoers.¹⁸ Research also shows that the use of quality ingredients and well-known brands, along with menus featuring drinks that are not easily found elsewhere or made at home, also positively impacts customer experience.¹⁸

Examples of venues that are doing it right include The Devonshire in London's Soho, which has established itself as a destination for Guinness drinkers by serving the black stuff just as they do in Ireland (chilling to the same temperature and dispensing with the same ratio of carbon dioxide to nitrogen), and London pub group, Cubitt House, which has a busy calendar of events to mark occasions such as Dry January and British Pie Week throughout its estate.

¹⁸ The Value Engineers – Hospitality Channel Insight – September 2024 - A3. Drivers of Outlet Choice - We would now like you to think back to when you were deciding on which outlet you were going to visit / order from Total sample: n=9147 (All subchannel visits). Coffeeshop Chains n=711, Coffeeshop Independents n=715, National Chain Pubs n=706, Traditional Pubs n=687 B1. Venue Past Usage - Had you been to this specific venue before this visit? Total sample: 7637 (All offline subchannel visits)

SENSATIONAL DRINKS FOR DRY (NOT DRAB) JANUARY

Dry January has become a key event for soft drinks and low and no alcohol brands. It's also giving licensed operators an opportunity to pep up sales in what has in the past been a slow period. Here are three of our favourite alcohol-free specials to ensure Dry January goes off with a bang...

PINEAPPLE EXPRESS

London Essence Roasted Pineapple Crafted Soda

Supersawa Zero Alcohol Cocktail Mixer

Coconut

Garnish with pineapple slice

PASSION FRUIT COOLER

J2O Orange & Passion Fruit

R.White's Lemonade

Garnish with orange slice

LIQUID STRAWBERRY DELIGHT

Supersawa Zero Alcohol Cocktail Mixer

Britvic Soda Water

Vetiver Cordial

Strawberry

Peony Blush Sparkling Tea

Smiling Wolf Zero Alcohol Gin



THE POWER OF SENSATIONAL SOFT DRINKS

As we've seen, increasingly, operators are offering experiences that go beyond alcohol and food. As options broaden, more consumers are choosing to forego alcohol – and this is especially true when it comes to pubs, bars and clubs' key demographic: younger people. The greatest declines in frequency of visits to licensed venues have been among people who are affluent, male, millennial or Generation Z (so in their teens, twenties or thirties).¹⁹

A key reason for this is that younger people are more health conscious than they were in the past. They're also less likely to drink alcohol.²⁰ This means that the soft drinks and low and no alcohol alternatives that venues offer are having a much greater impact on the venues people are choosing to visit. Two in three (66%) UK adults say non-drinkers in their group influence their choice of venue,²¹ rising to 85% of people aged 18 to 24.²¹



¹⁹ Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

²⁰ Kantar Alcovision; Drinkers % 12we 31st Dec 2023

²¹ Everleaf x KAM Raising the Bar 2024

PULLING POWER²¹

2-in-3

UK adults say non-drinkers in their group **influence the choice** of venue(s) in some way (rising to 85% of 18-24 years olds)

Just as vegetarians, vegans, and those with allergies influence venue choice, non-drinkers often sway group decisions. Yet, despite the growing number of teetotalers and moderators, alcohol-free options remain limited.

Of Brits are vegetarian

7% v 16%

Of UK adults don't drink any alcohol

Of food menus audited had vegetarian options

100% v 70%

Of drinks menus had alcohol-free options listed

Of dishes on menus were suitable for vegetarians

37% v 18%

Of cocktails on drinks menus were alcohol-free or available alcohol-free



VALUE PERCEPTIONS

Value for money is still crucial for customers, of course. In fact, 'good value for money' is the second most cited reason customers have for visiting a venue, after it being 'somewhere they've visited before'.²² This means that it's critical that outlets have well-executed promotional plans in place and that soft drinks are visible in bars and on menus.

However, what's also clear is that people are increasingly prepared to shop around for venues that offer the right experiences. After all, the proportion of people who said they visit venues 'because they've been there before' has declined by 1.6% points to 32.1% in the past year, the greatest decline of any reason.²² The reasons that saw the greatest increases were 'local', 'independent' and provided 'good service', proving that the fundamentals are still key.

MEAL DEALS DELIVER GROWTH

You can't beat set-price meal and drink promotions to draw in the crowds and enhance customer value perceptions. Our licensed partners have devised a host of drop dead gorgeous meal deals over the past year. These include Pad Thai and Pepsi for £10 at Gigging

Squid, Kids' Meals, a free drink (including Pepsi) with any burger at Robinsons Pubs. Robinsons Fruit Shoot also sponsored free kids activity sheets to mark the launch of the Paddington movie at Marston's pubs.





WHAT DETERMINES VENUE CHOICE?²²

	52 w/e 07.07.24	Change vs 52 w/e 09.07.23	
I've been there before	32.1%	-1.6ppts	↓
It's good value for money	31.4%	-0.5ppts	↓
It was close to where I was	25.7%	0.0ppts	—
It's local and independent	17.3%	+1.0ppts	↑
Pleasant atmosphere	16.9%	-0.5ppts	↓
Friendly service	15.2%	+0.9ppts	↑
Lots of choice	10.6%	+0.2ppts	↑
Fast service	8.0%	+0.3ppts	↑
Quality of ingredients	7.8%	+0.1ppts	↑
It's clean	6.4%	-0.7ppts	↓

So, we've explored how people are looking for elevated experiences and quality food and drink for the right price from the UK's licensed operators. Read on to discover how operators can maximise revenues by encouraging customers to have that second drink, and keep them coming back for more...



LICENSED DEEP DIVE

HOW TO PERSUADE PEOPLE TO STAY FOR A SECOND DRINK

Pubs hold a special place in Brits' hearts. Communities still revolve around them; they're still the places people visit to socialise, unwind, celebrate, commiserate and everything in between. The drinks, food, service and atmosphere offered by pubs make them the most frequently visited venues in the UK, with nearly half the population (49% for chain pubs; 45% for independents¹) regularly frequenting them.¹

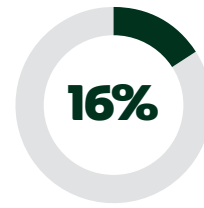
¹ Kantar Profiles/Mintel, August 2024 – 1,706 internet users aged 18+ who visit pubs/bars

The market is changing, however. As we've explored, people are eating and drinking out less often,² and they're cutting down on alcohol,³ which accounts for 85.1%⁴ of the pub trade's revenue, a whopping £26.6bn.⁴ Venue choices are also widening. Gastropubs, sports and cocktail bars, live music and competitive socialising venues are growing in popularity and enriching the scene – 16% of consumers say they most frequently visit gastropubs;⁵ 14% sports bars,⁵ 13% music and cocktail bars⁵ and 9% competitive socialising venues.⁵

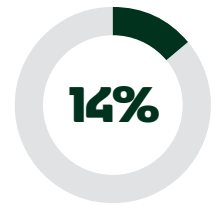
All of this means that operators must work harder to attract people into their venues, encourage them to spend more time (and money) there and keep them coming back for more. To do this, licensed venues must offer unique experiences, while striking a balance between value and excellence. Operators need to persuade their guests to stay for that second drink. Here's our guide to using sensational soft drinks and low and no alcohol serves to do just that...



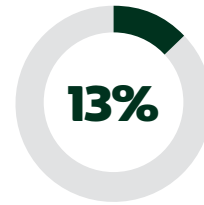
MOST FREQUENTLY VISITED BY BRITS⁵



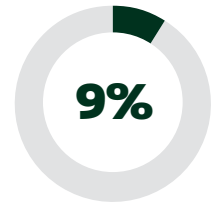
GASTRO PUBS



SPORTS BAR



MUSIC & COCKTAILS BAR



COMPETITIVE SOCIALISING VENUES

Fizzy drinks such as cola and lemonade are pubgoers' first choice when it comes to soft drinks, favoured by 28%⁶ of people who regularly visit pubs and bars. But as drinks ranges grow, their share is declining:⁶ in 2023, 31% of pubgoers said fizzy drinks were their go-to drink.⁶

Stocking bestsellers such as Pepsi MAX[®], 7UP and Tango and ensuring they're prominently displayed is still crucial, of course. Carrying a wider range of flavours – try Pepsi MAX[®] Lime, Cherry and Mango or Tango Editions Strawberry Smash – can also help create excitement and drive incremental sales.

Note also the rising popularity of juices, hot drinks and non-alcoholic cocktails.⁶ Carlsberg Britvic has your back there too. With 87% brand recognition among UK consumers,⁷ J2O serves as a beacon for the 18% of guests who prefer juice drinks.⁶ As a lighthouse brand, people are prepared to pay more for J2O and it has a wide range to suit a variety of tastes.⁸

² Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 07.07.24

³ Aviva, October 2024 - <https://www.aviva.com/newsroom/news-releases/2024/10/nearly-half-of-brits-plan-to-reduce-their-alcohol-intake-over-the-next-year/>

⁴ CGA by Nielsen IQ, Licensed, Value sales, 52 w/e 28.12.24

⁵ Kantar Profiles/Mintel, August 2024 – 1,706 internet users aged 18+ who visit pubs/bars

⁶ Kantar Profiles/Mintel, August 2023 - 2024 - 1,727 (2023), 1,706 (2024) internet users aged 18+ who visit pubs/bars

⁷ Kantar Brand Power study, Soft drinks Update, May 2024

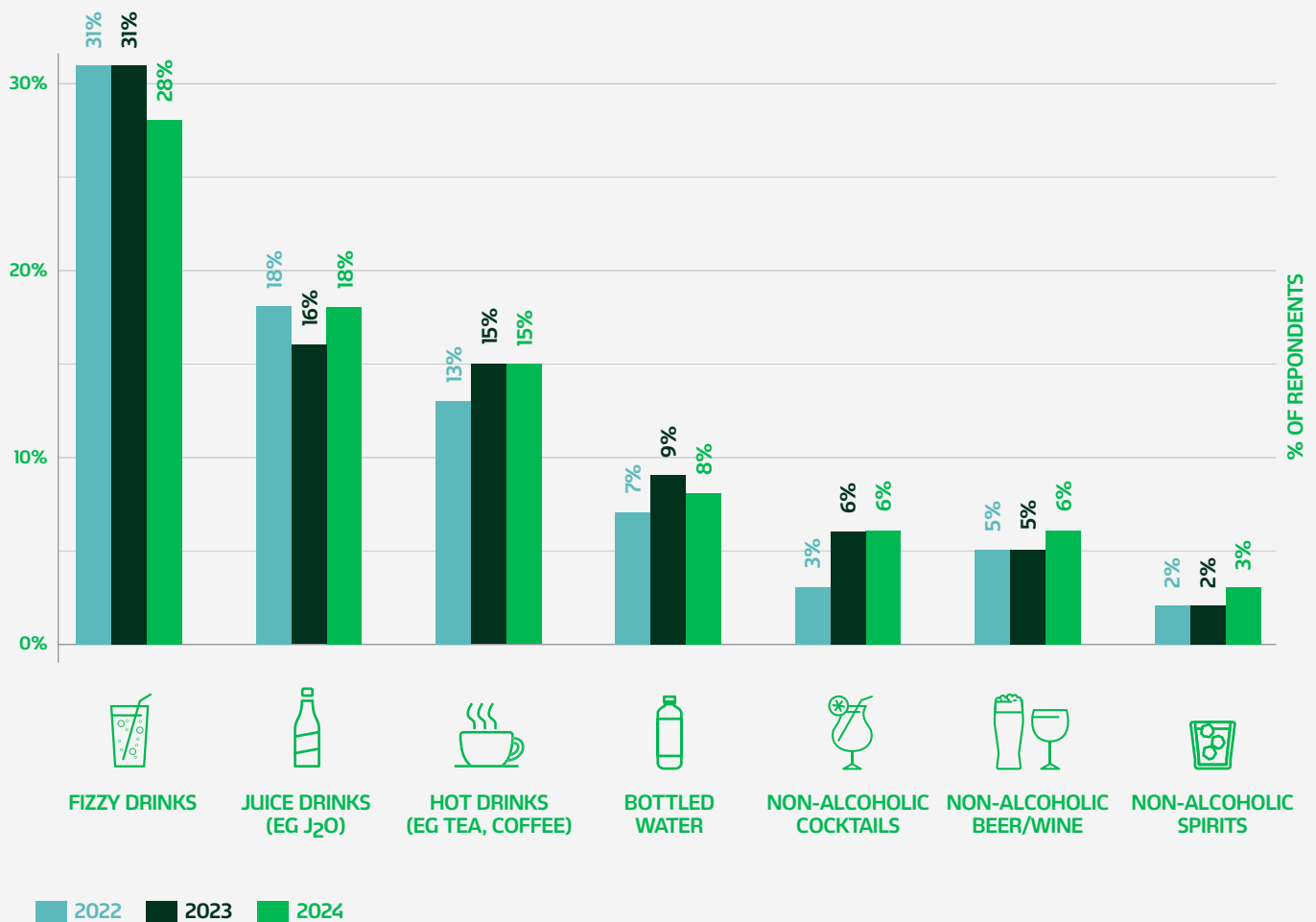
⁸ <https://sensationaldrinks.com/partner-with-britvic/our-brands/j2o/>

New for this summer is limited edition J2O Dragonberry, a blend of dragon fruit and blackberry juices designed to tap growing demand for exotic flavours in pubs and bars. Meanwhile, J2O Mocktails (Strawberry & Orange Blossom Mojito, White Peach & Mango Daiquiri and Blackberry & Blueberry Martini) allow operators to serve the 6% who want alcohol-free cocktails.

Teisseire syrups and cordials, meanwhile, provide an easy way to add flair, flavour and value to everything from water and coffee to fizzy and mixed drinks. The London Essence Company's premium mixers and crafted sodas also provide a fantastic base for sensational alcoholic and non-alcoholic drinks.



RISE OF NON-ALCOHOLIC DRINK CHOICES⁵



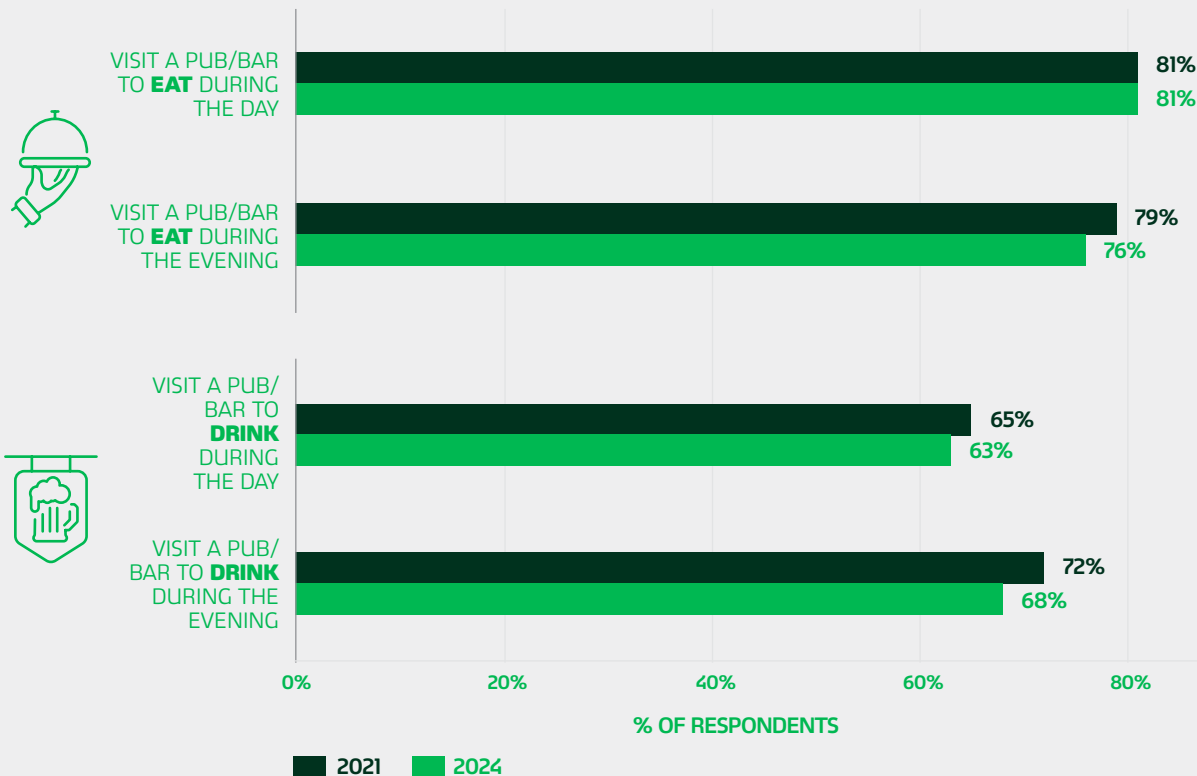
WHEN AND WHY PEOPLE VISIT PUBS (AND HOW THAT'S CHANGING)

Given the growth in alcohol moderation,⁹ it's no surprise that people are going to pubs less often.¹⁰ Evening pub visits have seen the greatest decline, with 68% of pubgoers visiting pubs to drink in the evening in 2024 (down from 72% in 2023) and 76% doing so to eat (down from 79%).¹¹ Daytime pub going has proven slightly more resilient: 81% of pubgoers visited pubs to eat during the day in 2024 (down from 82% in 2023).¹¹ Daytime drinking has also taken a tumble with 63% of pubgoers visiting pubs to drink in 2024 (down from 66% in 2023).¹¹

These shifts represent challenges for operators, who need to give people more reasons to visit their venues beyond drinking alcohol. Live entertainment, events and themed menus can all help lure people to pubs and bars for evening drinks, as can the development of wider and more sophisticated soft drinks menus. For example, offering a meal deal with drinks such as Pepsi MAX[®] and 7UP, can also boost daytime footfall.



FOUR IN FIVE VISIT A PUB/BAR TO EAT DURING THE DAY



9 Aviva, October 2024 - <https://www.aviva.com/newsroom/news-releases/2024/10/nearly-half-of-brits-plan-to-reduce-their-alcohol-intake-over-the-next-year/>

10 Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

11 Kantar Profiles/Mintel, August 2021 - 2024 – internet users aged 18+ (2021: 1,961 2022: 1,957 2023: 1,967 2024: 1,978)

THE OUTLOOK FOR PUBS IN 2025¹²

CHALLENGES



ALCOHOL DUTY FREEZE ENDS

Introduced for six months in February 2024 and extended for a further six months in August, the alcohol duty freeze ended in February 2025, raising the duty payable on alcoholic drinks by pub operators.¹²



BUSINESS RATES RELIEF REDUCTION

Until April 2025, most licensed operators were eligible for a 75% discount on business rates under the Retail, Hospitality & Leisure Relief (RHLR) scheme. In April, the discount was reduced to 40% and will last until April 2026.¹²



EMPLOYER NATIONAL INSURANCE CONTRIBUTIONS RISE

In April 2025, employers' national insurance contributions rose from 13.8% to 15% of employee salaries.¹²

OPPORTUNITIES



EVENTS

There are still plenty of events, sporting or otherwise, to capitalise on for the forthcoming year. For example, the UEFA Nations League finals in June; the UEFA Women's Euros held in Switzerland in July; the Women's Rugby World Cup kicks off in England in August; National Burger Week runs the same month and there's National Curry Week in October. Why not plan some events?



GROWING DEMAND FOR PREMIUM EXPERIENCES

Quality is again consumers' number one consideration when they're choosing where to go out to eat or drink.¹⁰ That's why it's time to start adding extra wow factor to drinks menus!



DYNAMIC PRICING

By adopting dynamic pricing strategies, growing numbers of pub operators are offsetting high staffing costs at peak times by charging higher prices; conversely, they can also drive footfall at less busy times by lowering prices.

MAKE SOFT DRINKS STAND OUT

You can't expect to sell more of anything if your customers don't know it's there. And in pubs, bars and restaurants, soft drinks are often lost, overlooked and overshadowed in terms of visibility by beer, wine, spirits, coffee and food.¹³ Perhaps this is understandable, given these products' value to licensed venues and their patrons, but by keeping soft drinks in the corner, operators are missing a trick.

Remember, alcohol is not consumed as much as it once was, with one in three pub visits being alcohol-free.¹⁴ Despite this, demand for visually appealing drinks and memorable experiences is on the rise,¹⁵ as are consumer preferences for quality soft drinks and non-alcoholic alternatives.¹⁶ If operators are to avoid being stung by the decline in demand for alcohol, they must ensure their soft and low and no alcohol drinks are highly visible.

Your guests don't want to feel like they're taking a stab in the dark when ordering a drink. Research shows that this often still the case: 40% of Brits¹⁴ make it their mission to find out what low and no alcohol drinks are available at a venue before visiting (if they are moderating alcohol),¹⁴ yet one in two venues don't list their alcohol-free offerings on their Google listing.¹⁴ And, only one in five have uploaded a menu featuring alcohol-free drinks to their listing.¹⁴

If it can't be seen from the bar or on the menu, it won't be on the order. It's therefore crucial that soft drinks and alcohol-free alternatives are prominently displayed in venues. Showcase the brands you have on offer and ensure your staff are fully versed in how to serve them in an attractive and compelling way.

PUT FLAVOUR FIRST!



Sometimes, low and no drinks try too hard to mimic alcohol with names like 'Virgin G&T', research shows. Of course, there's nothing wrong with using such descriptions to denote the hard stuff's absence, but alcohol alternatives sell better when their names work harder to whet the appetite.²⁰

Hence why J2O's Mocktails range comprises Blackberry & Blueberry Martini, Strawberry & Orange Blossom Mojito and White Peach & Mango Daiquiri – names that leave drinkers in no doubt about the treat their tastebuds are in for when they take their first sip.

While flavour is key across all drinks choices, research shows that it has more significance with soft drinks, partly because people are more likely to stick to their 'usual' when they're drinking alcohol.¹⁷ So, instead of 'Virgin G&T' why not call it 'Cherry Blossom Spritz'? Get creative!

¹³ The Value Engineers – Hospitality Channel Insight – September 2024 - While ordering from the outlet, which of the following did you see? Total sample n=9147 (All sub-channel visits), Online n=1510

¹⁴ KAM x Everleaf – Raising the Bar 2024

¹⁵ The Value Engineers – Hospitality Channel Insight – September 2024 - 25-minute quantitative surveys of 4,800 consumers in the UK

¹⁶ Kantar Profiles/Mintel, August 2023 - 2024 - 1,727 (2023), 1,706 (2024) internet users aged 18+ who visit pubs/bars

¹⁷ The Value Engineers – Hospitality Channel Insight – September 2024 - Which of the following were most important when you were choosing your drink? Total sample: n=12155 (All drinks), Soft Drinks n=6078, Alcoholic Drinks n=3376, Hot Drinks n=2282, Offline n=10103



BETTER DRINKS MENUS IN FIVE STEPS

1. DIAL UP VISIBILITY

People don't want to have to hunt for a drink just because they're not having alcohol. Ensure your non-alcoholic drinks are prominently featured.

2. SELL SENSUALLY

Give your low and no alcohol serves names that suggest a sensory experience by alluding to appealing flavours, fragrances, touch, etc.

3. SHOWCASE BRANDS

Brands have much greater bearing on soft drinks choices than alcohol.¹⁷ So, shout about the brands you use to create your show-stopping low and no serves!

4. TAKE PRIDE

Paying your low and no serves the same attention as alcoholic drinks in terms of garnish, glassware and overall presentation will encourage more people to buy.

5. CONSIDER PRICE CAREFULLY

People will pay more for low and no drinks that contain quality ingredients and are presented well. So don't sell them short!

SOPHISTICATED SERVES

Here at Carlsberg Britvic, we say it's crucial that non-alcoholic drinks are served with the same attention to detail and sophistication as their alcoholic counterparts. By paying attention to aspects such as glassware, garnish, temperature and ratio of ingredients, operators can elevate the experience of guests who are not drinking alcohol and make the act of ordering a non-alcoholic drink just as worthy of celebration.

This can also create 'drink envy' – the desired effect being that your guests then utter the phrase every bar tender wants to hear: "I'll have what she's having!" Think about how your drinks are mixed – there's nothing like the sound of vigorously shaken ice and ingredients to turn heads in a bar, for example – and encourage your guests to share pictures of their drinks on social media. Do this well, and your venue can become a destination for sophisticated non-alcoholic drinks.

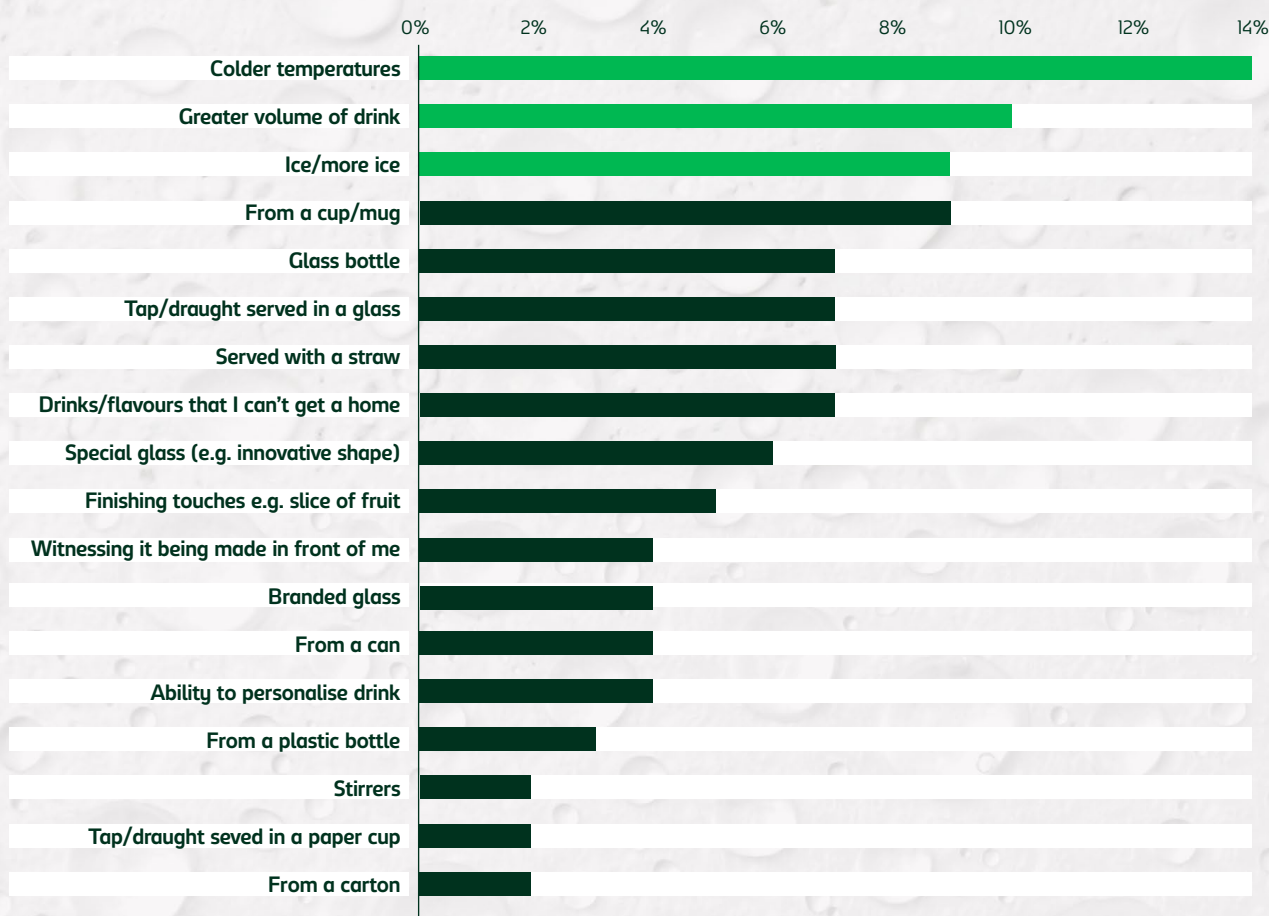


SERVE WITH STYLE

As we established in the previous chapter, pubgoers aren't only looking for a bite to eat or a quick drink when they visit venues; increasingly, they're looking for experiences they can't get anywhere else.¹⁸ Ensuring your drinks are served with style can help elevate that experience.¹⁹

Research shows that serving drinks at colder temperatures, in larger measures and with ice are the top three ways operators can enhance their guests' drinks experiences.¹⁹ Unusual flavours, special glassware and finishing touches such as garnishing with a slice of fruit are also effective.¹⁹

FACTORS IN OVERALL DRINK EXPERIENCE IMPROVEMENT¹⁹



¹⁸ Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

¹⁹ The Value Engineers – Hospitality Channel Insight – September 2024 – For this particular drink, which of the following is most likely to increase your satisfaction of with your drinking experience? Total sample: 10103 (All offline drinks), Mixer Only n=78, Special n=152, Dairy Drink n=80, Energy Drink n=110, Sports & glucose drinks n=84

HOW TO INFLUENCE THE CUSTOMER JOURNEY

The art of hospitality relies on raising guests' expectations and consistently meeting or exceeding them. To do this, operators should pay close attention to their customers' journeys, from selecting a venue right the way through to ordering that second drink. Here's how to influence those journeys...



Attract online: Online presence plays an increasingly important role in getting guests through the doors, with 40% of Brits (61% of those aged 18 to 24)²⁰ researching what low and no alcohol drinks a venue serves before they visit if they're moderating their alcohol. Ensure your drinks menus are accessible and attractive online and promote the serves that make your venue stand out on social media.



Simplify the process: Menus are still the number one touchpoint when guests are deciding what they want to drink, with research showing that 51% of orders are preceded by menu consultation.²¹ Therefore, it's crucial that menus are easily available, well designed and clear.

Stop guests in their tracks: Ensure soft drinks are visible at the point of arrival with enticing displays and point of sale materials. The London Essence Company Freshly Infused dispense system provides a focal point on bar tops and, by offering the brand's full range of tonics, sodas and gingers at the touch of a button, encourages guests to trade up and experiment.



Empower your staff: Great service plays a crucial role in any guest's experience of a venue. Empower your staff to listen to guests, offer drinks suggestions and trade-ups, and ensure they can deliver on presentation too (visit the **Mix with Carlsberg Britvic** platform for inspiration!). This will enhance customer journeys and greatly increase the chances of them coming back for that second drink.

²⁰ KAM x Everleaf - Raising the Bar 2024, *KAM x Lucky Saint - Low+No 2024

²¹ The Value Engineers - Hospitality Channel Insight - September 2024 - While ordering from the outlet, which of the following did you see? Total sample n=9147 (All sub-channel visits), Online n=1510

ENCOURAGING EXPERIMENTATION

Part of the pleasure of going out to eat or drink is the sense of experimentation and exploration that can be created by a well-thought-out drinks menu. By thinking carefully about drinks ranges and how they are presented and served, operators can encourage guests to try out new drinks and increase the number of beverages they buy. New products and new flavours also help add interest to a category and keeps consumers coming back for more.

Although 32%²² of soft drinks choices in licensed venues are based on habit (i.e. it's what a guest usually buys),

people are still open to trying new drinks.²² Promotions such as meal deals (the most effective driver for new drinks choices²²) and suggestions from bar staff can play a key role in this. Remember also that brand loyalty is much higher among people drinking soft drinks compared to those drinking alcohol, with 17% of soft drinks choices driven by brand, compared to just 5% of alcoholic drinks choices.²² Making sure that soft drinks brands are properly displayed is therefore crucial.

FLY HIGH THIS SUMMER WITH J2O DRAGONBERRY

New, exciting flavours are key to selling soft drinks. So, fresh for summer 2025, Carlsberg Britvic is unleashing a new flavour sensation on the UK's licensed venues: J2O Dragonberry.

This limited-edition juice drink blends blackberry and dragon fruit – a delicious, tropical fruit with a slightly tart, melon-like flavour – and will further fuel the trend for exotic drinks flavours.²³

Innovation like this creates excitement and encourages people to reconsider the role soft drinks play on nights out. One in four say new flavours encourage them to try new drinks when visiting pub or bars.²⁴

The bold flavour and striking packaging will help operators cash in on the popularity of limited editions, with 90% of Gen Z and millennials stating that they purchase products with seasonal flavours.²³



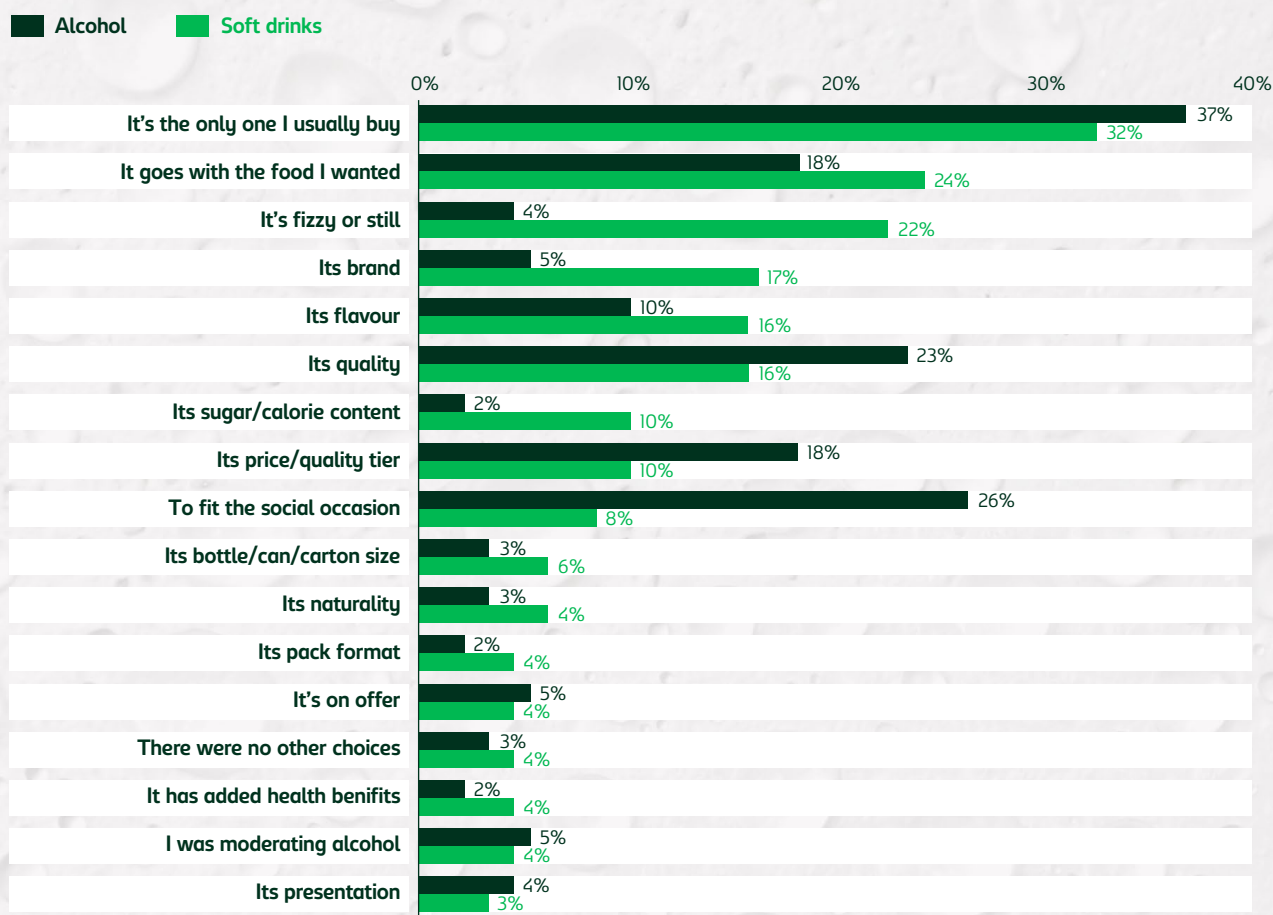
²² The Value Engineers – Hospitality Channel Insight - D8. Drink Drivers - Which of the following were most important when you were choosing your drink? Total sample: n=12155 (All drinks), Soft Drinks n=6078, Alcoholic Drinks n=3376, Hot Drinks n=2282, Offline n=10103

²³ <https://mrktblog.com/2024/04/15/summer-2024-flavor-trends-tropical-and-swicy/>

²⁴ The Value Engineers – Hospitality Channel Insight – September 2024 If available, which of the following would encourage you to try a new drink from this outlet? Total sample: n=9147 (All sub-channel visits), Offline (7637)

HOW DO GUESTS CHOOSE THEIR DRINKS?²²

Many people buy drinks at bars on autopilot. Less so, when it comes to soft drinks: 37%²² of people say their choice of alcohol is based on habit (“It’s what I usually drink”) compared to 32%²² of people when it comes to alcohol-free options. As we explore below, factors like brand, flavour and even food pairing are more important when it comes to soft drinks. This presents opportunities for growth.



PREMIUMISING SOFT DRINKS

As we explored in the previous chapter, people are on a quest for quality when they go out to eat and drink in the UK. The quality of the food, drinks and overall experience venues provide are playing a more important role in guests' choices of where to visit.²⁵ That's why it's essential that operators consider how they can offer more premium drinks, whether they contain alcohol or not.

Compelling ranges of cocktails served with style can raise quality perceptions and the number of drinks guests consume, as well as how much they're prepared to pay for them! Indeed, the cocktail crowd are a very discerning bunch: more people (36%²⁶) who regularly consume them say they typically go for premium cocktails than any other value tier (33% say they mix between premium and value; 31% typically go for value cocktails).²⁶

People are also willing to pay more for drinks they perceive to be healthier, less processed or more natural.²⁷ Therefore, featuring Plenish health shots on breakfast menus can drive incremental sales, while pairing Aqua Libra's range of naturally flavoured waters alongside light lunches can encourage guests to trade up from tap water, for example.

Aqua Libra has a range of stylish dispense systems for licensed operators that are looking to increase efficiency and reduce packaging waste at their venues. These include the Flavour Tap (see below), which dispenses a choice of naturally flavoured still and sparkling waters at the touch of a button, and Aqua Alto, a trio of coloured taps that effortlessly dispense chilled, boiling and sparkling water in an instant.

WATER, REINVENTED

If guests want quality, tap water just isn't going to cut it. Not only can it be inconsistent in taste (60% of the UK has hard or very hard water²⁸) and temperature, serving it can also be a drag on profits. Branded packaged water has long been the only answer, with sales through hospitality worth more than £200m a year.²⁹ Now there's another: Aqua Libra's dispense systems.

We offer a range of systems that dispense exceptional, finely filtered water – perfectly chilled, boiling hot and delicately sparkling – with just a touch of a button or

swish of a hand. They help to reduce operators' labour, storage and shrinkage costs and help differentiate them from the competition while offering guests an elevated hydration experience

The Aqua Libra Flavour Tap, for example, dispenses pure filtered water (still or sparkling) with natural fruit flavours and no preservatives, sugars or calories in an instant. It helps reduce packaging waste and costs, while providing healthy hydration that is a clear step-up from tap water. What's not to like?



25 Lumina Intelligence Eating & Drinking Out Panel – data collected 52 w/e 10 July 2022 and 52 w/e 7 July 2024

26 CGA by NielsenIQ Mixed Drinks H2 2024: Sample size 1005, H2 2023: Sample size 997

27 The Value Engineers – Hospitality Channel Insight – September 2024 - On another occasion, what would be the maximum you would be willing to pay for a drink of this type? D14. Which aspects of a drink like this would you be willing to pay more for? Total sample n=10103 (All drinks ordered in-person), Cola n=1832, Flavoured fizzy drinks n=610, Plain Packaged Water n=192, Functional Health Drinks n=55, Sports & glucose energy drinks n=55, Smoothie n=151

28 <https://www.cambridge-water.co.uk/household/my-water-supply/water-quality/water-hardness/#:~:text=All%20of%20the%20water%20we,calcium%20carbonate%20scale%20or%20fur>

29 https://aqualibra.com/products/hospitality/?_gl=1*d4q9a2*_up*MQ.*_gs*MQ._&gclid=Cj0KCQjw782_BhDjARIsABTt_JAAeebX7Nzn8BxLakdDfyJdlpacG7FoWaQOe_D7aCMYqCavWnQZuAUaAhOJEAJLw_wcB

VALUE ADDING ELEMENTS

People will pay more for drinks they perceive to be better for them, either because they're boosted with functional ingredients or they only contain natural ingredients.²⁷ To help operators capitalise on this, Carlsberg Britvic offers a growing range of premium, naturally healthy soft drinks, such as new Lipton Kombucha (a refreshing, lightly sparkling drink with naturally fermented tea) and Aqua Libra Pure Filtered Still and Sparkling canned water.



CONSUMERS ARE WILLING TO PAY MORE FOR MORE SPECIALISED QUALITY SOFT DRINKS WHICH DELIVER ON HEALTH AND NATURALITY²⁷

CURRENT PRICE	MEAN	COLA	FIZZY DRINKS	PLAIN WATER	FUNCTIONAL	SPORTS	SMOOTHIES
		2.35	2.20	2.43	3.83	3.09	3.61
Willingness to pay more: %	No more	43%	40%	39%	18%	22%	17%
	Up to £1	32%	33%	33%	26%	31%	31%
	Up to £2	13%	14%	19%	33%	27%	27%
	Up to £3	9%	10%	6%	21%	13%	13%
	> £3	4%	3%	3%	3%	7%	7%

HELP YOUR GUESTS MODERATE THEIR ALCOHOL

Big nights outs are being redefined; they're not necessarily the big booze ups they once were. As we revealed in the previous chapter, growing numbers of people are using tactics such as 'zebra striping' (alternating between alcoholic and non-alcoholic drinks) or 'bookending' (starting and ending nights out with low or no alcohol drinks) to moderate how many units they're consuming.³⁰

A third (32%) of people have a drink of water between alcoholic drinks when they're on a night out 'most' or 'all of the time',³⁰ suggesting that huge value can be unlocked by presenting soft drinks and low and no alternatives on an equal pegging with alcoholic drinks. We are helping our partners in the licensed trade to do just that by developing jaw-dropping serves and eye-catching Point Of Sale material.

ZEBRA STRIPES, BOOKENDS AND THE GREAT LOW & NO OPPORTUNITY

The UK's relationship with alcohol is changing. Today, nearly one in three (30%)³¹ pub visits and 42%³¹ of meals out in restaurants do not involve alcohol. And when people do drink alcohol on nights out, many are drinking less of it.³¹ This means the UK's pubs and bars need to change too.

Bookending – starting or finishing a night out with a low and no alcohol or soft drink – is another tactic people are using to drink less alcohol. Nearly half (44%)³¹ of people say they tend to start evenings out with a non-alcoholic drink; most (54%)³¹ say this is likely to mean they drink less alcohol but stay out for longer.³¹

So, people are drinking differently. Operators therefore need to think differently about the non-alcoholic drinks they serve. By offering ranges with greater depth and variety and ensuring drinks are always served with panache (whether they contain alcohol or not), they can continue to grow.

ZEBRA STRIPING -
*alternating between
low & no drinks and
alcoholic drinks on the
same occasion.*





Almost **2-in-3** of all on-trade visits involve non-alcoholic drinks.³¹

Pubs and bars

30%

of visits **do not** involve alcohol

30%

of visit involve alcoholic & non-alcoholic drinks

40%

of visits involve alcoholic drinks only

total occasions that involve **non-alcoholic drinks**

Restaurants

42%

of visits **do not** involve alcohol

30%

of visit involve alcoholic & non-alcoholic drinks

28%

of visits involve alcoholic drinks only

total occasions that involve **non-alcoholic drinks**

Guests are using different tactics to **moderate within a hospitality visit.**

How UK adults prefer to 'moderate' the alcohol consumption in a pub, bar or restaurant

Going no

Drink **only** non-alcoholic drinks throughout the visit

30%

Zebra striping

Drink a mixture of low & no **and** alcoholic drinks throughout the visit

28%

Going low

Drink **only** low alcoholic drinks throughout the visit

25%

Channel performance

Total On trade Soft drinks

Market value £7.6bn**-0.4% YA****282,271 Total no. Outlets in 2024****0.0% change**

All tables sourced from CGA by NielsenIQ, Foodservice & Licensed, Volume and Value, MAT w.e. 31.12.2023 (value in £'000) unless otherwise stated. All YoY % chg is vs MAT YA.

Hotels, pubs, bars & restaurants	Retail, travel & leisure	Contract catering
£4,665,764 Value sales	£2,021,003 Value sales	£942,255 Value sales
0.7% Value growth	-2.0% Value growth	-2.2% Value growth
94,961 Outlets	100,597 Outlets	86,713 Outlets
-1.7% Outlet growth	2.3% Outlet growth	-0.6% Outlet growth

Retail includes Fast Food QSR and High Street Food To Go

Pubs and Bars includes Bar, Bar Restaurant, Community Pub, Food Pub, High Street Pub, Nightclub),

Service-led Restaurant includes Casual Dining and Restaurants

Pub & bars	Hotels	Service-led restaurants
Managed £1,133,909 10,814 Outlets		Managed £261,471 4,870 Outlets
Independent free trade £685,967 18,202 Outlets		Independent free trade (inc. non managed) £380,315 16,785 Outlets
Tenanted & leased £579,813 16,982 Outlets		Tenanted & leased £5,109 193 Outlets
Sports social clubs £500,636 19,567 Outlets		
Total value (exc. Sports social) £2,430,361 43,906 Outlets	Total value £929,212 7,145 Outlets	Total value £651,647 20,091 Outlets
Total value growth 0.5%	Total value growth 0.2%	Total value growth 1.7%

Channel performance

Pubs	Hotels	Restaurants
£2,419,410 0.5%	£927,446 0.2%	£640,784 1.7%

Category performance

	Value (£'000)	% change vs YA
Cola	2,129,913	0.1
Lemonade	533,625	-4.6
Mixers	433,979	-4.0
Still juice drinks	273,078	3.3
Flavoured carbs	258,261	8.8
Squash	206,619	0.7
Gluc stimulant	197,232	-10.3
Plain water	187,346	2.0
Pure juice other	170,107	-3.1
Pure juice mixers	40,171	2.7
Carbonated juice drinks	23,172	27.3
Sport	7,086	-15.9
Water plus	2,646	51.3

Draught vs packaged

	Value (£'000)	% change vs YA
Packaged	2,407,975	0.4
Draught	2,257,789	1.0

Sugar content

	Value (£'000)	% change vs YA
High sugar	2,454,691	-0.1
Low sugar	1,614,925	0.2

High Sugar includes high sugar, medium sugar, moderate sugar, naturally high sugar

Low Sugar includes low sugar and sugar free

Based on static soft drinks levy coding in 2018

Still vs sparkling

	Value (£'000)	% change vs YA
Sparkling	3,665,070	-1.0
Still	1,000,694	7.3

Top 5 manufacturers in licensed

	Value (£'000)	% change vs YA
CCGB	2,135,138	1.6
Britvic	1,255,115	-0.5
Other suppliers	307,323	10.1
Fever-Tree	225,920	-8.4
Red Bull	172,606	-10.5

Other Suppliers includes regional companies that are grouped together

Top 10 brands in licensed

	Value (£'000)	% change vs YA
Coca Cola	700,106	1.2
Diet Coke	495,605	-2.9
Pepsi MAX®	322,413	2.8
Schweppes Lemonade	254,560	-0.3
Coke Zero	238,281	12.7
Fever-Tree Mixers	225,920	-8.4
Pepsi	219,491	-3.8
R.White's Lemonade	195,531	-4.9
J2O	165,761	2.4
Red Bull	128,707	-11.1

Biggest segments in licensed

	Value (£'000)	% change vs YA
Cola	2,129,913	0.1
Lemonade	533,625	-4.6
Mixers	433,979	-4.0
Still juice drinks	273,078	3.3
Flavoured carbs	258,261	8.8

Licensed – total soft drinks

	Value sales (£'000)			Volume sales (000's l)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
Total soft drinks	4,634,026	4,665,764	0.7	656,758	622,432	-5.2
Packaged	2,397,561	2,407,975	0.4	290,318	278,736	-4.0
Draught	2,236,466	2,257,789	1.0	366,439	343,696	-6.2

Soft drinks categories in licensed

	Value sales (£'000)			Volume sales (000's l)		
	MAT YA	MAT TY	MAT % change YA	MAT YA	MAT TY	MAT % change YA
Total soft drinks	4,634,026	4,665,764	0.7	656,758	622,432	-5.2
Total soft drinks cola	2,128,177	2,129,913	0.1	324,962	311,131	-4.3
Total soft drinks lemonade	559,622	533,625	-4.6	89,445	79,929	-10.6
Total soft drinks mixers	451,912	433,979	-4.0	41,605	38,578	-7.3
Total soft drinks juice drinks	282,679	296,250	4.8	33,980	33,458	-1.5
Total soft drinks flavoured carbs	237,411	258,261	8.8	34,319	34,796	1.4
Total soft drinks pure juice	214,710	210,277	-2.1	24,752	22,867	-7.6
Total soft drinks squash	205,163	206,619	0.7	51,344	49,347	-3.9
Total soft drinks gluc stimulant sport	228,290	204,318	-10.5	22,840	19,641	-14.0
Total soft drinks beverage syrups	140,465	202,071	43.9	2,119	2,789	31.6
Total soft drinks water	185,502	189,993	2.4	31,380	29,844	-4.9
Total soft drinks coffee	93	458	389.9	11	53	374.8

GLOSSARY

Business and Industry

Contracted / In-House

Carbonates

A drink made from carbonated water to which juice, flavourings and other ingredients have been added

Cola

Cola-flavoured carbonated drinks, including cola with flavours such as cherry, twist of lemon, etc.

Dilutes (also see Squash)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Energy drinks (also see Stimulants)

All energy 'boosting' drinks such as Red Bull and Rockstar. Normally fizzy

Food-led pubs

Outlets that have a dining menu of some description

Fruit flavoured carbonates

Flavours are typically orange, lemon & lime, tropical and other mixed fruit flavours. E.g. Tizer and Dr Pepper are included as these contain fruit flavours and some brands may contain juice e.g. Tango

Gen-Z

The demographic cohort after millennials. Most of Gen-Z have used the Internet since a young age and are comfortable with tech and social media. There is no precise date for when Gen-Z begins, but demographers and researchers typically use the mid-1990s to mid-2000s as starting birth years

Iced coffee

A ready-to-drink packaged coffee beverage, containing coffee, that is usually consumed chilled

Juice drinks

A non-carbonated drink which generally contains fruit juice (some may not) plus added water or other ingredients

Leased

Landlords of leased pubs have a long-term (traditionally 10-25 year) commercial and assignable lease

Lemonade

All conventional clear, cloudy or traditional carbonated lemonade. Some with lemon juice and additional ingredients to produce coloured lemonade

Managed

A brewery appoints a salaried manager, while retaining ownership of the pub; this arrangement is a 'managed house'

Millennials

A term used to describe individuals born between the mid-1980s to the mid-1990s, those who are now aged between their mid-twenties and mid-thirties. This is the generation that entered adulthood during the first decade of the millennium

Mixers

Drinks intended to dilute an alcoholic beverage, as well as being consumed as a standalone soft drink

Natural energy

Natural Energy are Energy drinks which contain stimulants from a natural source

Non-fruit flavoured carbonates

Non-fruit flavoured carbonates, excluding cola but including Irn Bru. Also includes traditionals such as cream soda, ginger beer and shandy

OOH

Out of Home. Includes Retail, Travel & Leisure



Pure juice (other)

A non-carbonated 100% single fruit juice or other juice blend with no added water, sweetener or other additives. Includes all concentrated juices

Sports drinks

Drinks that are designed to replace, sugars, minerals and fluids lost as a result of exercise. Can include powders and dilutables

Squash (also see Dilutes)

Concentrated beverage, commonly called squash, cordial or syrup. Must be diluted prior to consumption

Still juice drinks

A non-carbonated drink containing fruit juice, plus water and other ingredients

Stimulants (also see Energy drinks)

All energy 'boosting' drinks such as Red Bull and Rockstar. Normally fizzy

Tenanted

Landlords of tenanted pubs are more likely to have shorter-term agreement which is contracted outside of the Landlord and Tenant Act (meaning that the term is fixed)

Total licensed

Defined in this report as Restaurants, Food-Led Pubs, Wet-Led Pubs, Sport / Social Clubs, Wine Bars, Circuit Bars, Proprietary Clubs, Hotels. Travel Roadside and MSA / Petrol Forecourts / Railway Stations / Airports / Ports

Water

Still or sparkling water with nothing else added

Water plus / Flavoured water

Sparkling or still flavoured water

Wet-led pubs

'Wet-led' pubs are outlets that don't sell food (other than over-the-counter snacks such as packaged crisps)

