Britvic plc Interim Results – 17 May 2022

For the six months ended 31 March 2022

Another strong performance, commencing a £75m share buyback programme

Group Financial Headlines:

- Revenue increased 18.5%[1] to £719.3m (reported +16.6%)
- Adjusted EBIT increased 20.7%[1] to £73.5m (reported +22.3%), statutory EBIT increased 35.8%
- Adjusted EBIT margin increased 20bps[1] to 10.2% (reported +50bps)
- Profit after tax increased 48.7% to £45.8m
- Adjusted earnings per share of 19.4p, up 27.8%
- Interim dividend of 7.8p, up 20.0%
- Adjusted net debt/EBITDA of 2.2x, a reduction of 0.6x on H1 last year

Highlights:

- Double-digit revenue growth, with volume and pricing growth across all business units
  - Continued growth in At-Home channels, with Out-of-Home channels recovering back towards pre-COVID levels
  - Immediate Consumption volumes ahead of pre-COVID
- Pricing activity, promotional strategy, management of our mix and disciplined cost control has helped to mitigate the impact of inflation
- Good progress against our strategic objectives including:
  - Additional production capacity in GB and Brazil now operational
  - Strong momentum across our core brands
  - Exciting innovation launches with core brand extensions, new flavours and new pack formats
  - Accessing new growth spaces – Plenish relaunched and Aqua Libra flavour tap launched
- Continuing to build investment in our people, brands and infrastructure
- Commencing an initial share buyback programme of £75m in the next 12 months, reflecting the strength of our balance sheet and confidence in our growth strategy

	6 months ended 31 March 2022 £m	6 months ended 31 March 2021[2] £m	% change actual exchange rate (AER)	Underlying % change constant exchange rate[1]
Revenue	719.3	617.1	16.6%	18.5%
Adjusted EBIT	73.5	60.1	22.3%	20.7%
Adjusted EBIT margin	10.2%	9.7%	50bps	20bps
Adjusting EBIT items[3]	(6.4)	(10.7)	40.2%	
Statutory EBIT	67.1	49.4	35.8%	
Statutory EBIT margin	9.3%	8.0%	130bps	
Profit after tax	45.8	30.8	48.7%	
Basic EPS	17.2p	11.6p	48.3%	
Adjusted EPS	19.4p	15.2p	27.8%	
Interim dividend per share	7.8p	6.5p	20.0%	
Adjusted net debt/EBITDA	2.2x	2.8x	0.6x	

1. Adjusted for constant currency, and the Ireland agency brands which ceased trading in March 2021.
2. Please refer to note 21 of the interim financial statements for details of SaaS arrangements restatement.
3. Adjusting EBIT items of £6.4m are detailed on page 33.

Simon Litherland, Chief Executive Officer commented:

"I am delighted with our first half performance. We have accelerated revenue growth across our markets and made good progress against our strategic priorities. We have successfully executed pricing and cost actions to mitigate significant levels of inflation, while continuing to rebuild investment to support our near and longer-term growth ambitions. We continue to generate strong cash flow and have increased the interim dividend by 20%. I am also pleased that today the Board have announced our intention to commence an initial share buyback programme of £75m in the next 12 months, reflecting the strength of our balance sheet and confidence in our growth strategy.

The current geo-political uncertainty is likely to result in continued cost inflation and pressure on consumer spending at least into 2023. I remain confident however that we will continue to successfully navigate the headwinds, thanks to our portfolio of leading brands, strong customer relationships, smart revenue management capability and the resilience of our supply chain and our people. This will enable us to maintain our positive momentum, progress our key performance metrics and strategic priorities, and continue to create value for all our stakeholders."

This announcement contains inside information related to a share buyback programme.
The person responsible for making this announcement is Clare Thomas, Company Secretary.

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There will be a webcast of the presentation given today at 09:00am by Simon Litherland (Chief Executive Officer) and Joanne Wilson (Chief Financial Officer). The webcast will be available at www.britvic.com/investors with a transcript available in due course. To ask a question on the webcast, please dial +0800 279 6877 or +44 (0) 330 165 4012 and enter the confirmation code 7088891.

<u>**Note to editors**</u>

About Britvic

Britvic is an international soft drinks business rich in history and heritage. Founded in England in the 1930s, it has grown into a global organisation with 37 much-loved brands sold in over 100 countries.

The company combines its own leading brand portfolio including Fruit Shoot, Robinsons, Tango, J2O, London Essence, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Lipton Ice Tea which Britvic produces and sells in Great Britain and Ireland under exclusive PepsiCo agreements.

Britvic is the largest supplier of branded still soft drinks in Great Britain and the number two supplier of branded carbonated soft drinks in Great Britain. Britvic is an industry leader in the island of Ireland with brands such as MiWadi and Ballygowan, in France with brands such as Teisseire, Pressade and Moulin de

Valdonne and in its growth market, Brazil, with Maguary, Bela Ischia and Dafruta. Britvic is growing its reach into other territories through franchising, export and licensing.

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

Our purpose: Enjoying life's everyday moments
Our vision: To be the most dynamic soft drinks company, creating a better tomorrow
Our values: We care, We're courageous, Own it, Stronger together, Act with Pace

Britvic is listed on the London Stock Exchange under the code BVIC and is a constituent of the FTSE 250 index.

Find out more at Britvic.com

Cautionary note regarding forward-looking statements
This announcement includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, uncertainties and other factors including the COVID-19 pandemic, which may cause the actual results, performance, or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules and applicable law, Britvic undertakes no obligation to update or change any forward-looking statements to reflect events occurring after the date such statements are published.

Market data
GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 26 March 2022. ROI take-home market data referred to is supplied by Nielsen and runs to 27 March 2022. French market data is supplied by Nielsen and runs to 27 March 2022. Brazil is supplied by Nielsen and runs to 31 March 2022.

Next scheduled announcement
Britvic will publish its Q3 trading statement on 21 July 2022.

Chief Executive Officer's Review

Today we report our results for the six months to 31 March 2022, during which time we continue to build on our strong business momentum and make significant progress against our strategic priorities. I am proud of the Britvic team, who are at the heart of our success, and on behalf of the Board and Executive, I would like to extend my thanks to them and their families for their continued commitment.

Performance against all our key financial metrics in the first half of the year was strong, reflecting both accelerated growth across our markets and brands and the high level of Covid restrictions that were in place in the first half of 2021. While the Omicron variant led to a temporary slow-down in the recovery of the Out-of-Home channel part-way through the half, trading in the Out-of-Home channel has since recovered back towards 2019 levels. Since the pandemic, the geo-political environment has increasingly impacted the global economy, leading to cost pressures at levels not seen for many years. As a business we have risen to the challenge, implementing both revenue management and cost efficiency initiatives across all our markets.

This has resulted in first half growth in underlying revenue of 18.5%, adjusted EBIT of 20.7%, and underlying margin improvement of 20bps. Our revenue growth has accelerated, in Q1, revenue was +16.5% and in Q2 +20.8%. Our momentum is demonstrated by underlying group revenue increasing 13.6% versus the comparable period of H1 2020 (before the pandemic began to significantly impact performance). Our focus and discipline on cash enabled us to generate free cash flow despite the peak working capital outflow we typically see in our first half, and our half-year leverage ratio is now at its lowest since 2016, with £130m repayment of debt since 2020. The strength of our balance sheet and cash generative business supports our growth aspirations as well as presenting an opportunity for increased returns to shareholders through dividends and the share buyback programme announced today.

We have also made good progress on our Healthier People, Healthier Planet programme. Our employee engagement score remains top quartile, our calories per serve remain well below our 30 calories target, we saw a further reduction in our carbon scope 1 and 2 emissions, and we have achieved 36% rPET across the portfolio in GB and Ireland.

A growth strategy

Before the pandemic, we took the opportunity to evolve our strategy, to ensure we are best positioned to access growth opportunities in the changing consumer and retail landscape across our markets. With a portfolio of market-leading brands, multi-channel routes to market, collaborative customer relationships and a well-invested supply chain, we set out our strategic framework as follows:

Our future focus remains on four key strategic priorities:

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

Each of our markets has a defined role to play:

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

Underpinning this strategy are three critical enablers:

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

Market review

GB

Our performance in GB has been strong, with revenue growth in the second quarter accelerating at +21.8% compared to last year. Growth was led by the Out-of-Home channel, with revenue significantly ahead of 2021 and the comparable period (pre-COVID) to the end of March 2020, reflecting an increase in socialising and mobility as people spent less time at home. Our performance in the At-Home channel was also robust, with revenue continuing to grow compared to last year. According to Nielsen, the At-Home channel retail sales value is now £9.8bn, increasing £1.1bn over the previous two years. Encouragingly, our At-Home market share remains ahead of pre-COVID levels.

Across the market, our brands have shown momentum, with revenue increasing not only versus last year but also 13.6% ahead of 2020. All of Pepsi, Tango, 7UP, R Whites, J20, Lipton and Fruit Shoot delivered double-digit revenue growth. Robinsons volumes were softer, especially in Q2, reflecting strong demand last year and a reduction in promotional activity this year to grow margin.

During the first half, we implemented significant pricing activity, including changes to promotional price points and careful management of our mix, which has helped to mitigate the impact of inflation. Price increases were implemented early in Q2 and hence we have seen a lag effect on inflation mitigation in the GB brand contribution rate in the first half.

We have continued to invest in our brands, with highly relevant and effective marketing activation, alongside innovation to broaden our appeal. Pepsi MAX was highly visible to consumers through its continued sponsorship of the UEFA Champions League. J20 launched an on-pack promotion for Christmas, while Fruit Shoot returned with its 'Merrylicious' festive flavour. Both brands are benefiting from an increase in consumer socialising. We launched a new Tango flavour, Berry Peachy, adding another sugar-free option to the range, as did Aqua Libra with Blood Orange & Mango.

Alongside the growth momentum of our core brands, we have also continued to invest in accessing future growth spaces. Following our acquisition of Plenish last year, the brand has been able to leverage our strong customer relationships and brand marketing expertise. Plenish was relaunched in late Q2 with new packaging, highlighting its premium, natural credentials, and secured significant additional distribution for the plant-based milks and shots ranges. The Aqua Libra Company, which we launched last year following the acquisition of The Boiling Tap Company in 2020, has used our flavour concentrates expertise to develop a unique tap proposition that offers flavoured water alongside still, sparkling and hot, and has been building a pipeline of opportunities in both the workplace and retail channels. Our premium tonic, London Essence, has gained share in the retail channel and increased distribution in pubs, bars and restaurants of both packaged product and our dispense offering, Freshly Infused.

We also continue to enhance our business capability. Our new can line is now operational at our Rugby factory, adding approximately 150m litres of capacity and demonstrating our confidence in future growth. Our commercial transformation programme went live as planned in Q2, implementing the Kantar commercial system to optimise the efficiency and effectiveness of our promotions and customer investment. It also simplifies our ways of working and enhances collaboration between teams to improve our commercial plans. We also continue to enhance our digital capability with the launch of an in-house digital studio, which will improve the quality and speed our brands interact with consumers by creating a range of highly relevant real-time content, including videos and animations.

Brazil

Brazil's revenue growth has continued at double-digit levels, with growth accelerating in the second quarter. Our focus has remained on building scale to deliver sustainable growth. Since the acquisition of EBBA in 2015, we have gained significant market share in the core categories of concentrates and juice drinks and successfully expanded to create strong footholds in new market segments.

Launching Fruit Shoot in Brazil and growing the range and pack formats for the local market has enabled us to achieve an 18% volume share of the kids' drinks market. We now have a credible, scale coconut water brand in Puro Coco, with a 17% volume share of the category, while our grape offering, Seleção, has an 11% volume market share. As well as great innovation in both core and new categories, a key element of our success has been the quality of our in-store execution, with improved shelf presence and excellent feature & display, attracting consumers to buy our brands.

Our business in Brazil has experienced another year of significant cost inflation, in common with other FMCG companies. While our focus is to build scale market share across the categories in which we operate, we have implemented multiple price increases as part of our strategy to partially mitigate the adverse inflationary impact on trading contribution.

We believe that the Brazil business offers a long-term opportunity to grow. We have recently leased a new manufacturing facility in Rio Grande do Sul, in Southern Brazil. This will enable us to continue our vertical integration by increasing grape processing closer to its source and thereby reduce logistics costs and road miles. Recently we also installed a new biomass boiler, our third, as part of a decarbonisation strategy.

Over the last few years, we have been building a premium, higher-margin portfolio. As well as introducing Britvic brands such as Mathieu Teisseire, London Essence, and Britvic mixers, we have launched local brands, including Nuts, a plant-based milk, and Natural Tea. Both Britvic mixers and London Essence have been building awareness with the trade through event activation, social media influencers and trade shows. Recently we moved production to the local market for London Essence and introduced two unique flavours of Britvic mixers to appeal to local consumers.

Other International

Other International combines our full-service operations in Ireland and France with markets where we have a commercial presence, such as Benelux and the travel sector, and our global premium brands, London Essence and Mathieu Teisseire.

Our performance in Ireland has been strong, with underlying revenue increasing 23% and both the Out-of-Home and At-Home channels recording double-digit growth. Encouragingly all our core brands were in strong growth. We implemented actions early in Q1 to mitigate inflationary pressures, including price increases, mix management and promotional optimisation.

We have continued to leverage the strength of our brand portfolio with innovations such as Ballygowan 'Hint of Fruit' flavoured water and entered the energy category with the launch of Rockstar last year and more recently, Club 'Loaded'. Through a combination of mix management and simplifying the operating model with the closure of Counterpoint last year, the Irish business has delivered a significant improvement in operating margin, in line with our strategy.

In France, all brands were in solid growth, with revenue +11.8% compared to last year. Our brands also gained market share within the categories we participate. The trading environment in France continues to be particularly challenging, and our pricing activity has only partially mitigated the inflationary cost pressure we face.

Our strategy also seeks to grow our global premium portfolio such as Mathieu Teisseire. The heartland of the Mathieu Teisseire opportunity is in the Out-of-Home channel, and the lifting of restrictions has resulted in the brand regaining momentum. To support its expansion, we have secured a co-packing agreement in France to complement the current production at our factory in Crolles. We have also secured new distribution agreements in key markets, such as working with partners with the scale and presence to enable us to realise the brand's full potential. We have also expanded our capability with a new studio in the Middle East and one soon to open in Paris, trade event promotional opportunities and deploying brand ambassadors in our focus markets.

Similarly, London Essence also benefited from lifting restrictions, delivering strong growth globally. We have secured key new distributors in Italy, Belgium and Australia and expanded the range of tonics and sodas to support the premium category position. We have also secured our first multi-market listing for both brands with the Marriott Hotel group.

Outlook

Strong revenue momentum has continued in April, with double-digit revenue growth year-on-year, in line with our expectations. In the second half we have clear priorities including activating highly relevant marketing programmes, expanding our core brands through extension and innovation and developing our presence in new growth spaces.

We are confident that the strength of our portfolio, combined with the agility and resilience of our well-invested business, puts us in a strong position to continue to successfully navigate through the current macro uncertainties and inflationary environment.

While soft drinks are not immune to changes in consumer spending, both the category and Britvic's leading family favourite brands have historically shown themselves to be resilient and low elasticity through a downturn and we are confident we will continue to navigate short-term uncertainties. The long-term prospects and growth opportunities for Britvic also remain robust, and we are confident in our ability to create sustainable returns for all our stakeholders.

Chief Financial Officer's Review

Overview

We have delivered a strong performance in the first half of the year, building on the momentum we saw as we exited 2021 and with all key financial metrics on a positive trajectory. Underlying Group revenue increased 18.5% year-on-year on a constant currency basis, and we saw a sequential improvement through the year, with second-quarter revenue increasing 20.8% year-on-year as we lapped lockdown restrictions in our markets in the prior year. Revenue was 13.6% ahead of the same period in 2020.

We have successfully executed pricing plans in each of our markets through the first half. There has however been a time lag between inflation hitting our P&L and the implementation of price increases which has impacted Brand Contribution Margin. In addition to price, we have used other levers to help mitigate inflationary pressure, including mix, promo optimisation, productivity initiatives and disciplined cost management. Consequently, brand contribution is adverse across the business units while group adjusted EBIT margin is ahead. We will realise the full benefits of the price increases in the second half of the year.

Adjusted EBIT increased 20.7% to £73.5m, resulting in an adjusted EBIT margin of 10.2%, a 20bps improvement year-on-year. The increase in EBIT margin reflects a positive channel mix as Out-of-Home volumes recovered and improved operating leverage. This was achieved while increasing our investment, most notably in A&P, our digital capabilities, operational capacity, and sustainability-related activities.

Adjusted EPS increased 27.8% year-on-year. The interim dividend equates to 7.8p per share, a year-on-year increase of 20.0%.

Our cash performance continued to be strong with a positive free cash flow in the half, driven by a relentless focus on day-to-day cash management. Since 31 March 2021, we have delivered a reduction in leverage with an adjusted net debt/EBITDA ratio of 2.2x at 31 March 2022, a 0.6x reduction from this time last year.

Our confidence in the continued downward trajectory of our leverage ratio has resulted in the Board's decision to commence an initial share buyback programme.

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

GB	6 months ended 31 March 2022 £m	6 months ended 31 March 2021 £m	% change actual exchange rate
Volume (million litres)	827.1	746.7	10.8%
ARP per litre	59.6p	55.3p	7.8%
Revenue	493.0	413.2	19.3%
Brand contribution	187.8	165.3	13.6%
Brand contribution margin	38.1%	40.0%	(190) bps

In GB, we have seen accelerated growth with revenue increasing 19.3% year-on-year (+13.6% versus H1 FY20) and brand contribution up by 13.6%. Out-of-Home revenue increased by 59.0%, as we lapped prior year trading restrictions and the channel continued its recovery back to 2019 levels, and At-Home continued to grow increasing +4.4% year-on-year.

ARP growth of 7.8% was driven by an improved mix and the benefit of price and promotion actions implemented during the half. Socialising brands, including J20 and Fruit Shoot, and immediate consumption pack formats benefited from the lifting of restrictions and increased mobility. The immediate consumption improvement was seen across our brand portfolio, including Pepsi, 7UP, Tango, Robinsons RTD and Lipton. A&P increased year-on-year by £5.2m as the rebuild of brand investment continued. This resulted in 70bps decline in brand contribution margin with the balance of the 190bps decline due to input cost inflation. Cost inflation was only partially mitigated in the first half as price increases were implemented in early Q2.

Brazil	6 months ended 31 March 2022 £m	6 months ended 31 March 2021 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Volume (million litres)	154.8	146.2	5.9%	5.9%
ARP per litre	41.8p	38.3p	9.1%	8.9%
Revenue	64.7	56.0	15.5%	15.3%
Brand contribution	9.3	11.5	(19.3)%	(19.3)%
Brand contribution margin	14.3%	20.5%	(620)bps	(620)bps

In Brazil, we saw a continuation of double-digit revenue growth with revenue at constant currency up 15.3% which, after adjusting for PIS/COFINS tax benefits, translates to underlying revenue growth of 18.4%. This was driven by both volume and ARP growth of 5.9% and 8.9% respectively.

The drivers of growth were RTD juice, Kids range and grape. Concentrates revenue was broadly flat while Puro Coco declined due to a shortage of coconut supply in the period. Brand contribution declined over 19% due to continued input cost inflation, product mix and lower PIS/COFINS tax rebates, the latter accounting for 215bps of the brand contribution decline. Multiple price increases were implemented during the half which, together with cost actions, helped mitigate some of the inflationary pressures we are experiencing.

Other International	6 months ended 31 March 2022 £m	6 months ended 31 March 2021 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Volume (million litres)	193.7	169.2	14.5%	14.5%
ARP per litre	83.4p	85.1p	(2.0)%	2.6%
Revenue	161.6	147.9	9.3%	17.4%
Brand contribution	48.0	46.0	4.3%	8.4%
Brand contribution margin	29.7%	31.1%	(140)bps	(240)bps

Note: Other International consists of France, Ireland and other international markets. Concentrate sales are included in both revenue and ARP but do not have any associated volume. % like-for-like excludes Counterpoint agency brands.

Across Other International, underlying volume grew 14.5%, ARP increased 2.6% and revenue increased 17.4%. The strong recovery in Ireland continued, with revenue growing 23.0%. France's revenue grew 11.8%, with all brands in growth and taking share. The rest of international also saw double-digit growth, led by the recovery of the travel channel, sales in Europe and the Middle East. Inflationary cost pressures impacted brand contribution, resulting in a 240bps margin decline.

Fixed costs – pre-adjusting items	6 months ended 31 March 2022 £m	6 months ended 31 March 2021 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Non-brand A&P	(5.2)	(4.3)	(20.9)%	(20.9)%
Fixed supply chain	(64.2)	(62.6)	(2.5)%	(3.7)%
Selling costs	(37.9)	(36.0)	(5.3)%	(6.5)%
Overheads and other	(64.3)	(59.8)	(7.5)%	(9.7)%
Total	(171.6)	(162.7)	(5.5)%	(6.9)%
Total A&P investment	*(25.7)*	*(19.6)*		
A&P as a % of own brand revenue	*3.6%*	*3.2%*		

Overall, our fixed cost base increased 6.9% on a like-for-like basis which reflects selective investment in key areas and a continued discipline on our discretionary spend.

Total A&P was £6.1m higher year-on-year which reflects the continued rebuild of investment in our brand portfolio. Fixed supply chain costs increased 3.7% primarily driven by utilities inflation across all our sites. During the period we increased production capacity in Brazil and a new can line became operational in GB in early Q2.

Selling costs increased 6.5% in part driven by the acquisition of Plenish in the second half of 2021 and increased discretionary spend as costs including travel partially normalised.

Overheads and other costs increased 9.7% driven by selective investment in our capability and a year-on-year adverse movement of £2.1m FX-related hedging losses offset by reduced costs following the closure of the Counterpoint business.

Interest

The net finance charge for the period ended 31 March 2022 was £7.8m, compared with £9.6m in the comparative period due to lower average debt levels through the period.

Adjusting items – pre-tax

In the period, the Group incurred, and has separately disclosed, a net charge of £6.4m (2021 restated: £10.7m) of pre-tax adjusting items. Adjusting items comprises:

- Implementation of an accounting policy change following an IFRIC agenda decision in relation to customisation and configuration costs of Software-as-a-Service (SaaS) arrangements which are now expensed as incurred rather than capitalised. This resulted in charges in the first half of £3.2m relating to IT projects (see notes 4 and 21 to the Interim Financial Statements for more detail),
- Strategic M&A credit of £1.2m in relation to the remeasurement and utilisation of historic provisions, and

- Acquisition-related amortisation of £4.3m and other costs of £0.1m.

Taxation

The adjusted tax charge for the period was £13.8m (6 months ended 31 March 2021: £10.2m), which equates to an adjusted effective tax rate of 22.4% (6 months ended 31 March 2021: 21.8%). This increase is mainly due to movements in deferred tax and a small prior year adjustment. The reported net tax charge was £13.4m (6 months ended 31 March 2021: £8.9m), which equates to an effective tax rate of 22.7% (6 months ended 31 March 2021: 22.4%).

Earnings per share (EPS)

Adjusted basic EPS for the period was 19.4 pence, an increase of 27.8% (at actual exchange rates) on the prior year due to higher operating profits and a lower interest charge. Adjusted diluted EPS improved 28.5%. Basic EPS for the period was 17.2 pence, an increase of 48.3% on last year.

Dividends

The Board is declaring an interim dividend of 7.8p per share with a total value of £20.9m. The interim dividend for 2022 will be paid on 6 July 2022 to shareholders on record as of 27 May 2022. The ex-dividend date is 26 May 2022.

Share buyback programme

We have a disciplined approach to capital allocation and, as the impact of COVID-19 has declined, have continued to rebuild the balance sheet, while investing in future growth, with adjusted net debt leverage on 31 March 2022 of 2.2x. Going forward, excluding seasonal movements, leverage is expected to decline further and strong cash generation to continue. Britvic's long-term policy for leverage is to maintain a range of 1.5x to 2.5x, and we are currently trading well within that range. In the context of Britvic's expected free cash flow and its capital requirements over the next three years, the Board believes it is appropriate to commence an initial £75m share repurchase programme, to be executed within the next 12 months. Britvic will continue to review its balance sheet on an annual basis to assess the strength of the balance sheet, in the context of its growth ambitions. The dividend policy remains unchanged.

Free cash flow

Free cash flow (defined as cash generated from operating activities, plus proceeds from sale of property, plant and equipment, less capital expenditure, interest and repayment of lease liabilities) was an inflow of £2.0m, compared with an inflow of £1.9m in the 6 months ended 31 March 2021.

Cash generated from operating activities before changes in working capital and income tax paid was £95.2m compared with £82.7m in the comparative period, reflecting an improved operating performance and continued tight cash management during the half year.

This half year there was a working capital outflow of £47.6m (6 months ended 31 March 2021: £39.4m outflow), comprising an outflow from increases in inventory of £36.2m (6 months ended 31 March 2021: £17.5m outflow), an outflow from increases in trade and other receivables of £2.8m (6 months ended 31 March 2021: £34.6m inflow), an outflow from decreases in trade and other payables of £5.7m (6 months ended 31 March 2021: £43.5m outflow), an outflow from decreases in provisions of £2.9m (6 months ended 31 March 2021: £3.0m outflow) and no change in other current assets (6 months ended 31 March 2021: £10.0m outflow).

The increased inventory levels since year-end were due to inflation, an increased level of both raw materials and finished goods stock to protect our customer service levels across the Group and further vertical integration of fruit processing in Brazil. Brazil comprised £20m of the total increase in stock holdings.
Net income taxes paid were £9.2m (6 months ended 31 March 2021: £3.8m which benefited from a cash tax rebate in France of £7.0m following the disposal of the juice business).

Cash capital expenditure increased slightly from £23.4m during the 6 months ended 31 March 2021 to £24.6m for the current half year. Lease payments decreased from £6.1m to £4.7m.

Treasury management

The financial risks faced by the Group are identified and managed by a central treasury department, whose activities are carried out in accordance with Board approved policies and subject to regular Audit and Treasury Committee reviews. The department does not operate as a profit centre and no transaction is entered into for trading or speculative purposes. Key financial risks managed by the treasury department include exposures to movements in interest rates, foreign exchange rates and commodities, while managing the Group's debt and liquidity profile. The Group uses financial instruments to hedge against interest rate and foreign currency exposures as well as commodity exposures, including aluminium, sugar, gas, power and diesel. During the period we extended our hedging activities to include certain resin components.

On 31 March 2022, the Group had £957.9m of committed debt facilities, consisting of a £400.0m bank facility and a series of private placement notes, with maturities between December 2022 and May 2035. The bank facility was undrawn on 31 March 2022. A one-year extension to the maturity of the Group's £400.0m bank facility was approved by six of the seven lenders in February 2022 extending the maturity of £366.7m of this facility to February 2027. The remaining £33.3m will mature in February 2025.

On 31 March 2022, the Group's adjusted net debt, including the impact of interest rate currency swaps hedging the balance sheet value of the private placement notes, was £533.8m, which compares with £488.5m at 30 September 2021. Reported net debt of £556.0m (excluding derivative hedges) comprised £580.1m of private placement notes and £2.8m of accrued interest, offset by net cash and cash equivalents of £24.0m and unamortised debt issue costs of £2.9m.

Pensions

At 31 March 2022, the Group had IAS 19 pension surpluses in Great Britain, Northern Ireland and Ireland totalling £164.0m and an IAS 19 pension deficit in France of £1.9m, resulting in a net pension surplus of £162.1m (30 September 2021: net surplus of £131.6m).

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

Contributions are paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the schedule of contributions. No further deficit funding payments are due to be paid except for the £5.0m annual partnership payment which will continue until 2025. This will be reviewed as part of the next triennial valuation as of 31 March 2022, which is currently in progress.

Non-Executive Directors

As announced in December 2021, Ian McHoul stepped down from his position on the Britvic Board, as of 11 May 2022. Emer Finnan joined as an independent Non-Executive Director on 1 January 2022 and has now taken on the role of Audit Committee Chair, following Ian's retirement from the Board.

Risk management process

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

Risks are monitored throughout the year with consideration given to internal and external factors and the Group's risk appetite. We continue to further refine and embed our risk management approach across the breadth of the organisation, focussing on driving the effectiveness of the risk management framework across the organisation. Updates to risks and mitigation plans are managed agilely, with changes made as required. In response to the volatile and uncertain external environment, the risk team has continued to support each of our markets and functions in identifying and managing existing and emerging risks to the organisation.

Glossary

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

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

Adjusted EBIT is a non-GAAP measure and is defined as operating profit before adjusting items. EBIT margin is EBIT as a proportion of Group revenue.

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

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

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

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

Aqua Libra Co is Britvic Aqua Libra Co Limited, previously known as The Boiling Tap Company Limited.

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

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

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

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

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

EBBA is Empresa Brasileira de Bebidas e Alimentos SA.

EBIT is earnings before interest and taxation.

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

EPS is Earnings Per Share.

FMCG is Fast Moving Consumer Goods.

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

GB is Great Britain.

Group is Britvic plc, together with its subsidiaries.

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

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

M&A is mergers and acquisitions.

NI is Northern Ireland.

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

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

RCF is revolving credit facility.

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

ROI is Republic of Ireland.

rPET is recycled polyethylene terephthalate plastic.

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

BRITVIC PLC
RESPONSIBILITY AND CAUTIONARY STATEMENTS

Company number: 5604923

RESPONSIBILITY STATEMENT

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

CAUTIONARY STATEMENT

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

This report is intended to inform the shareholders of the Group's performance during the 6 months to 31 March 2022. This report contains forward-looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward-looking information, including as a consequence of the COVID-19 pandemic, and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

DIRECTORS

The directors of Britvic plc are:

John Daly
Simon Litherland
Joanne Wilson
Sue Clark
Euan Sutherland
William Eccleshare
Emer Finnan

By order of the Board,

Simon Litherland
Chief Executive Officer
Date: 16 May 2022

Joanne Wilson
Chief Financial Officer
Date: 16 May 2022

INDEPENDENT REVIEW REPORT TO BRITVIC PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income/(expense), condensed consolidated balance sheet, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and the related notes 1 to 21. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

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

As disclosed in note 2, the annual financial statements of the group will be prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

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

Ernst & Young LLP
Leeds
16 May 2022

BRITVIC PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the 6 months ended 31 March 2022

	Note	6 months ended 31 March 2022 (unaudited) £m	Restated* 6 months ended 31 March 2021 (unaudited) £m	Restated* 12 months ended 30 September 2021 (audited) £m
Revenue	6	719.3	617.1	1,405.1
Cost of sales		(427.4)	(371.6)	(822.1)
Gross profit		**291.9**	**245.5**	**583.0**
Selling and distribution expenses		(128.4)	(106.1)	(222.1)
Administration expenses		(96.4)	(90.0)	(208.5)
Operating profit		**67.1**	**49.4**	**152.4**
Finance income		0.4	0.6	0.9
Finance costs		(8.2)	(10.2)	(18.7)
Profit before tax		**59.3**	**39.8**	**134.6**
Taxation	7	(13.4)	(8.9)	(38.1)
Profit for the period attributable to the equity shareholders		**45.9**	**30.9**	**96.5**
Earnings per share				
Basic earnings per share	8	17.2p	11.6p	36.2p
Diluted earnings per share	8	17.1p	11.6p	36.1p

All activities relate to continuing operations.

* Please refer to note 21 for details of SaaS arrangements restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)
For the 6 months ended 31 March 2022

	Note	6 months ended 31 March 2022 (unaudited) £m	Restated* 6 months ended 31 March 2021 (unaudited) £m	Restated* 12 months ended 30 September 2021 (audited) £m
Profit for the period attributable to the equity shareholders		**45.9**	**30.9**	**96.5**
Items that will not be reclassified to profit or loss				
Remeasurement gains/(losses) on defined benefit pension schemes	15	24.1	(14.2)	34.1
Deferred tax on defined benefit pension schemes		(5.3)	2.8	(12.0)
Deferred tax on other temporary differences		-	(0.1)	-
		18.8	(11.5)	22.1
Items that may be subsequently reclassified to profit or loss				
Gains/(losses) in the period in respect of cash flow hedges	18	18.5	(10.0)	0.1
Amounts reclassified to the income statement in respect of cash flow hedges	18	(2.1)	7.2	6.3
Current tax in respect of cash flow hedges accounted for in the hedging reserve		-	-	0.2
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve	18	(2.7)	0.6	(1.1)
Exchange differences on translation of foreign operations	18	15.7	(16.8)	(9.7)
Tax on exchange differences accounted for in the translation reserve	18	(0.3)	(1.7)	(0.6)
		29.1	(20.7)	(4.8)
Other comprehensive income/(expense) for the period, net of tax		**47.9**	**(32.2)**	**17.3**
Total comprehensive income/(expense) for the period attributable to the equity shareholders		**93.8**	**(1.3)**	**113.8**

* Please refer to note 21 for details of SaaS arrangements restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2022

	Note	31 March 2022 (unaudited) £m	Restated* 31 March 2021 (unaudited) £m	Restated* 30 September 2021 (audited) £m
Non-current assets				
Property, plant and equipment	9	479.1	454.2	472.4
Right-of-use assets		70.2	74.2	71.7
Intangible assets	9	403.9	378.3	406.5
Other receivables		7.3	6.0	5.8
Derivative financial instruments	13	23.3	16.1	22.2
Deferred tax assets		3.5	3.6	4.0
Pension assets	15	164.0	91.3	141.2
		1,151.3	**1,023.7**	**1,123.8**
Current assets				
Inventories		179.7	134.4	135.0
Trade and other receivables		384.9	292.6	376.1
Current income tax receivables		12.2	8.0	7.2
Derivative financial instruments	13	22.3	1.9	4.0
Cash and cash equivalents		24.0	40.9	71.1
Other current assets		-	20.0	-
		623.1	497.8	593.4
Assets held for sale	19	16.8	16.8	16.8
		639.9	**514.6**	**610.2**
Total assets		**1,791.2**	**1,538.3**	**1,734.0**
Current liabilities				
Trade and other payables		(425.6)	(335.4)	(417.8)
Commercial rebate liabilities		(121.1)	(80.0)	(122.3)
Lease liabilities		(10.2)	(8.6)	(8.9)
Interest-bearing loans and borrowings	10	(36.1)	(55.1)	(2.2)
Derivative financial instruments	13	(1.5)	(2.3)	(1.4)
Current income tax payables		(2.1)	(1.5)	(1.4)
Provisions	16	(2.3)	(10.4)	(5.3)
Other current liabilities		(10.2)	(12.0)	(5.5)
		(609.1)	**(505.3)**	**(564.8)**
Non-current liabilities				
Lease liabilities		(65.0)	(67.6)	(66.2)
Interest-bearing loans and borrowings	10	(543.9)	(573.1)	(576.9)
Deferred tax liabilities		(114.4)	(65.6)	(98.5)
Pension liabilities	15	(1.9)	(8.8)	(9.6)
Derivative financial instruments	13	-	(1.0)	(0.6)
Provisions	16	(0.6)	(0.6)	(0.5)
Other non-current liabilities		(5.7)	(0.4)	(6.2)
		(731.5)	**(717.1)**	**(758.5)**
Total liabilities		**(1,340.6)**	**(1,222.4)**	**(1,323.3)**
Net assets		**450.6**	**315.9**	**410.7**
Capital and reserves				
Issued share capital	11	53.5	53.4	53.5
Share premium account		157.2	155.0	156.2
Own shares reserve		(0.9)	(2.6)	(1.5)
Other reserves	18	81.3	39.1	53.7
Retained earnings		159.5	71.0	148.8
Total equity		**450.6**	**315.9**	**410.7**

* Please refer to note 21 for details of SaaS arrangements restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 31 March 2022

	Note	6 months ended 31 March 2022 (unaudited) £m	Restated* 6 months ended 31 March 2021 (unaudited) £m	Restated* 12 months ended 30 September 2021 (audited) £m
Cash flows from operating activities				
Profit before tax		59.3	39.8	134.6
Net finance costs		7.8	9.6	17.8
Other financial instruments		(1.7)	-	0.6
Depreciation of property, plant and equipment		20.1	22.2	42.7
Depreciation of right-of-use assets		5.2	5.4	10.5
Loss on disposal of property, plant and equipment and intangible assets		0.3	1.3	2.8
Amortisation		7.6	6.9	14.8
Share-based payments charge, net of cash settlements		2.9	1.9	3.8
Net pension charge less contributions		(6.3)	(5.0)	(5.4)
Net foreign exchange differences		-	0.9	0.7
Other non-cash items		-	(0.3)	-
Increase in inventory		(36.2)	(17.5)	(15.4)
(Increase)/decrease in trade and other receivables		(2.8)	34.6	(44.2)
(Increase)/decrease in other current assets		-	(10.0)	10.0
(Decrease)/increase in trade and other payables and commercial rebate liabilities		(5.7)	(43.5)	74.2
Decrease in provisions		(2.9)	(3.0)	(8.5)
Other adjustments for which cash effects are investing cash flows		-	-	0.4
Income tax paid		(9.2)	(3.8)	(15.4)
Net cash flows from operating activities		**38.4**	**39.5**	**224.0**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		-	-	0.1
Purchases of property, plant and equipment		(21.8)	(19.4)	(56.4)
Purchases of intangible assets		(2.8)	(4.0)	(9.0)
Interest received		0.1	0.5	0.6
Acquisition of subsidiaries, net of cash acquired		-	-	(31.2)
Net cash flows used in investing activities		**(24.5)**	**(22.9)**	**(95.9)**
Cash flows from financing activities				
Interest paid, net of derivative financial instruments		(7.1)	(8.1)	(15.4)
Net movement on revolving credit facility	10	-	53.0	-
Other loans repaid	10	-	-	(0.1)
Payment of principal portion of lease payments		(3.8)	(5.1)	(8.7)
Payment of interest portion of lease payments		(0.9)	(1.0)	(1.9)
Repayment of private placement notes, net of derivative financial instruments	10	-	(65.4)	(65.4)
Other derivative cash receipts		0.9	1.1	1.3
Issue costs paid	10	(0.3)	(0.3)	(0.3)
Issue of shares relating to incentive schemes for employees		0.9	0.9	2.2
Purchase of own shares		(3.3)	-	-
Dividends paid to equity shareholders	12	(47.2)	(57.5)	(74.8)
Net cash flows from financing activities		**(60.8)**	**(82.4)**	**(163.1)**
Net decrease in cash and cash equivalents		**(46.9)**	**(65.8)**	**(35.0)**
Cash and cash equivalents at the beginning of the period		71.1	109.2	109.2
Net foreign exchange differences on cash and cash equivalents		(0.2)	(2.5)	(3.1)
Cash and cash equivalents at the end of the period		**24.0**	**40.9**	**71.1**

* Please refer to note 21 for details of SaaS arrangements restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 31 March 2022

	For the 6 months ended 31 March 2022 (unaudited)							
				Other reserves				
	Issued share capital £m	Share premium account £m	Own shares reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Retained earnings £m	Total £m
At 1 October 2021	**53.5**	**156.2**	**(1.5)**	**4.5**	**(38.1)**	**87.3**	**148.8**	**410.7**
Profit for the period	-	-	-	-	-	-	45.9	45.9
Other comprehensive income	-	-	-	13.7	15.4	-	18.8	47.9
Total comprehensive income	-	-	-	13.7	15.4	-	64.7	93.8
Issue of shares	-	1.0	(1.0)	-	-	-	-	-
Own shares purchased for share schemes	-	-	(3.2)	-	-	-	3.2	-
Own shares utilised for share schemes	-	-	4.8	-	-	-	(12.0)	(7.2)
Movement in share-based schemes	-	-	-	-	-	-	2.8	2.8
Current tax on share-based payments	-	-	-	-	-	-	0.2	0.2
Deferred tax on share-based payments	-	-	-	-	-	-	(1.0)	(1.0)
Transfer of cash flow hedge reserve to inventories	-	-	-	(1.5)	-	-	-	(1.5)
Payment of dividend	-	-	-	-	-	-	(47.2)	(47.2)
At 31 March 2022	**53.5**	**157.2**	**(0.9)**	**16.7**	**(22.7)**	**87.3**	**159.5**	**450.6**

	For the 6 months ended 31 March 2021 (unaudited)							
				Other reserves				
	Issued share capital £m	Share premium account £m	Own shares reserve £m	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Restated* retained earnings £m	Restated* total £m
At 1 October 2020	**53.4**	**154.1**	**(3.7)**	**0.3**	**(27.8)**	**87.3**	**111.9**	**375.5**
Adjustment on change of accounting policy*	-	-	-	-	-	-	(2.9)	(2.9)
At 1 October 2020 (restated)	**53.4**	**154.1**	**(3.7)**	**0.3**	**(27.8)**	**87.3**	**109.0**	**372.6**
Profit for the period	-	-	-	-	-	-	30.9	30.9
Other comprehensive expense	-	-	-	(2.2)	(18.5)	-	(11.5)	(32.2)
Total comprehensive (expense)/income	-	-	-	(2.2)	(18.5)	-	19.4	(1.3)
Issue of shares	-	0.9	(0.8)	-	-	-	-	0.1
Own shares utilised for share schemes	-	-	1.9	-	-	-	(1.1)	0.8
Movement in share-based schemes	-	-	-	-	-	-	1.7	1.7
Current tax on share-based payments	-	-	-	-	-	-	0.1	0.1
Deferred tax on share-based payments	-	-	-	-	-	-	(0.6)	(0.6)
Payment of dividend	-	-	-	-	-	-	(57.5)	(57.5)
At 31 March 2021	**53.4**	**155.0**	**(2.6)**	**(1.9)**	**(46.3)**	**87.3**	**71.0**	**315.9**

* Please refer to note 21 for details of SaaS arrangements restatement.

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 6 months ended 31 March 2022

1. General information

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

The Company is listed on the London Stock Exchange.

These interim condensed financial statements do not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. They have been reviewed but not audited by the Group's auditor. The statutory accounts for Britvic plc for the year ended 30 September 2021 have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement made under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were authorised for issue by the board of directors on 16 May 2022.

2. Basis of preparation

The annual financial statements of the Group will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this interim financial report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with the United Kingdom adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting'. The interim condensed financial statements comprise the condensed consolidated balance sheet as at 31 March 2022 and the condensed consolidated income statement, condensed consolidated statement of cash flows, condensed consolidated statement of comprehensive income/(expense), condensed consolidated statement of changes in equity and the related notes 1 to 21 for the 6 months then ended of Britvic plc (the 'financial information').

3. Going concern

As part of the directors' consideration of the appropriateness of adopting the going concern basis in preparing the interim report and financial statements, a range of scenarios, including a view on a prolonged period of inflationary pressure, have been reviewed. The assumptions modelled are based on the estimated potential impact of prolonged high inflation over the course of the period to September 2023.

Following the outbreak of COVID-19 in early 2020, the subsequent global pandemic and implementation of government restrictions on commercial activity and social movement, Britvic implemented a wide range of measures to ensure the ongoing stability and going concern status of the Company.

Britvic has proved resilient and is now performing at almost pre-COVID-19 levels. On 21 February 2022, the UK Prime Minister Boris Johnson made a statement in the House of Commons on the government's strategy for living with COVID-19 and almost all restrictions have been lifted in all countries that Britvic operates and the Group's strategy has been built on the plan of living with COVID-19 and no restrictions going forward.

Since the pandemic, the investments the business has made have resulted in a more agile production and sales capability and we are more able to respond to changed buying and selling patterns as required. The major challenge for financial years 2022 and 2023 is increased levels of inflation. Rather than high inflation being a one-off in 2022, the business in its strategic plan and stress tests has considered a prolonged period of inflationary pressure that in return may require greater levels of price increases.

As part of the going concern assessment, inflation scenarios have been combined with the potential impact of key risks that could reasonably arise in the period, including reduction in supply and increased regulation, to assess the extent to which further mitigating actions would be required, and confirm that they are within management control. Mitigating actions can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand.

As of 31 March 2022, the consolidated balance sheet reflects a net asset position of £450.6m and the liquidity of the Group remains strong. In H1 of 2022, the Group successfully secured a one-year extension of its £400.0m revolving credit facility with 6 of the 7 participating banks. As a result of this, £367.7m of this facility now matures in February 2027, with £33.3m maturing in February 2025. The revolving credit facility remains committed and undrawn at 31 March 2022. The Group's next debt maturity is in December 2022 when £27.8m equivalent of private placement notes mature. Both the Group's revolving credit facility and private placement notes have a net debt/EBITDA covenant limit of 3.5x, excluding IFRS 16 impact. Based on the half year adjusted net debt of £533.8m and adjusted EBITDA of £240.3m, the net debt/EBITDA ratio was 2.2x and well within the covenant limit.

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

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

4. Accounting policies

Except as described below, the accounting policies applied by the Group in these interim financial statements are consistent with those applied by the Group in its financial statements for the year ended 30 September 2021.

Implementation of IFRIC agenda decision and new accounting policy

During the year, the Company revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is presented below. This change in accounting policy has resulted in costs of £3.2m being expensed to administration expenses during the 6 months ended 31 March 2022 that would previously have been capitalised as intangible assets under the former policy. In the statement of cash flows for the 6 months ended 31 March 2022, £3.2m has been presented within net cash flows from operating activities that would previously have been presented within net cash flows used in investing activities under the former policy. Historical financial information has been restated to account for the impact of the change – refer to note 21.

Policy for Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the Company determines whether these services are distinct from each other or not, and therefore, whether configuration and customisations incurred are expensed as the software is configured or customised (i.e. upfront), or over the SaaS contract term. Specifically, where the configuration and customisation activities significantly modify or customise the cloud software, these activities will not be distinct from the access to the cloud software and are therefore expensed over the SaaS contract term.

When implementing SaaS arrangements, costs incurred may include those that relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meet the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least annually and any change accounted for prospectively as a change in accounting estimate.

Other policy changes

The following amendments and interpretations apply for the first time from 1 October 2021, none of which have had a material impact on the interim condensed consolidated financial statements of the Group:

- Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Amendments to IFRS 16 'Leases', Covid-19 Related Rent Concessions beyond 30 June 2021

5. Seasonality of operations

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

6. Segmental reporting

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

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

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

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

The 'Other International' subtotal comprising the Ireland, France and International reportable segments has been presented to provide linkage to the Chief Financial Officers Review section of the interim results.

			Other international				
6 months ended 31 March 2022	**GB £m**	**Brazil £m**	**Ireland £m**	**France £m**	**International £m**	**Subtotal £m**	**Total £m**
Revenue from external customers	**493.0**	**64.7**	**63.7**	**76.1**	**21.8**	**161.6**	**719.3**
Brand contribution	**187.8**	**9.3**	**21.1**	**21.2**	**5.7**	**48.0**	**245.1**
Non-brand advertising & promotion*							(5.2)
Fixed supply chain**							(64.2)
Selling costs**							(37.9)
Overheads and other costs*							(64.3)
Adjusted EBIT							**73.5**
Net finance costs pre-adjusting items							(7.8)
Adjusting items***							(6.4)
Profit before tax							**59.3**

			Other International				
6 months ended 31 March 2021	**GB £m**	**Brazil £m**	**Ireland £m**	**France £m**	**International £m**	**Subtotal £m**	**Restated Total £m**
Revenue from external customers	**413.2**	**56.0**	**57.7**	**71.8**	**18.4**	**147.9**	**617.1**
Brand contribution	**165.3**	**11.5**	**18.9**	**22.7**	**4.4**	**46.0**	**222.8**
Non-brand advertising & promotion*							(4.3)
Fixed supply chain**							(62.6)
Selling costs**							(36.0)
Overheads and other costs*							(59.8)
Adjusted EBIT							**60.1**
Net finance costs pre-adjusting items							(9.4)
Adjusting items***							(10.9)
Profit before tax							**39.8**

			Other International				
12 months ended 30 September 2021	**GB £m**	**Brazil £m**	**Ireland £m**	**France £m**	**International £m**	**Subtotal £m**	**Restated Total £m**
Revenue from external customers	**956.1**	**114.1**	**128.3**	**164.9**	**41.7**	**334.9**	**1,405.1**
Brand contribution	**381.0**	**21.1**	**46.2**	**49.7**	**10.5**	**106.4**	**508.5**
Non-brand advertising & promotion*							(8.3)
Fixed supply chain**							(122.1)
Selling costs**							(75.1)
Overheads and other costs*							(126.5)
Adjusted EBIT							**176.5**
Net finance costs pre-adjusting items							(17.7)
Adjusting items***							(24.2)
Profit before tax							**134.6**

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

** Included within ‘selling and distribution expenses’ in the condensed consolidated income statement.

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

7. Taxation

The total tax charge for the period is £13.4m (restated 6 months ended 31 March 2021: £8.9m) which equates to an effective tax rate of 22.7% (restated 6 months ended 31 March 2021: 22.4%).

Tax charge by region	6 months ended 31 March 2022 £m	Restated 6 months ended 31 March 2021 £m	Restated 12 months ended 30 September 2021 £m
UK	10.7	7.1	31.9
Foreign	2.7	1.8	6.2
Total tax charge in the condensed consolidated income statement	**13.4**	**8.9**	**38.1**

Analysis of tax charge	6 months ended 31 March 2022 £m	Restated 6 months ended 31 March 2021 £m	Restated 12 months ended 30 September 2021 £m
Current income tax charge	4.8	6.3	20.3
Deferred income tax charge	8.6	2.6	17.8
Total tax charge in the condensed consolidated income statement	**13.4**	**8.9**	**38.1**

The effective tax rate for the 6 months ended 31 March 2022 has slightly increased compared to the effective tax rate for the 6 months ended 31 March 2021. This is mainly due to movements in deferred tax and a small prior year adjustment.

The deferred tax charge has increased compared to the 6 months ended 31 March 2021. This primarily relates to higher temporary differences on fixed assets because of a tax rate increase in the UK and a restatement following an accounting policy change (see note 21). This is reflected in the increase in deferred tax liabilities along with increases in deferred tax on derivatives and pensions.

8. Earnings per share

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

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

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

	6 months ended 31 March 2022	Restated 6 months ended 31 March 2021	Restated 12 months ended 30 September 2021
Basic earnings per share			
Profit for the period attributable to the equity shareholders (£m)	45.9	30.9	96.5
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	267.4	266.7	266.8
Basic earnings per share (pence)	**17.2p**	**11.6p**	**36.2p**
Diluted earnings per share			
Profit for the period attributable to the equity shareholders (£m)	45.9	30.9	96.5
Effect of number of dilutive potential ordinary shares – share schemes (millions)	0.6	0.7	0.6
Weighted average number of ordinary shares in issue for diluted earnings per share (millions)	268.0	267.4	267.4
Diluted earnings per share (pence)	**17.1p**	**11.6p**	**36.1p**

9. Property, plant and equipment and intangible assets

Property, plant and equipment

During the 6 months ended 31 March 2022 the Group:

- capitalised property, plant and equipment additions at a cost of £22.5m (6 months ended 31 March 2021: £19.8m); and
- disposed of property, plant and equipment with a net book value of £0.3m (6 months ended 31 March 2021: £1.3m) resulting in a loss on disposal of £0.3m (6 months ended 31 March 2021: loss on disposal £1.3m).

There were no impairments or reversals of impairments recognised during the 6 months ended 31 March 2022 (6 months ended 31 March 2021: nil).

See note 17 for details of the Group's capital commitments.

Intangible assets

During the 6 months ended 31 March 2022, the Group capitalised £2.8m of software additions (6 months ended 31 March 2021: £4.1m, restated).

The Group performed its last annual impairment test for goodwill and intangible assets with indefinite lives in September 2021. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the Group's Annual Report and Accounts 2021.

Since the last annual impairment test, management have evaluated whether there are any indicators that the Group's assets may be impaired. This evaluation included a review of business performance for the 6 months ended 31 March 2022 and latest forecasts for the full year ending 30 September 2022 against the budgets used in the last impairment test. Changes in the applicable discount rates to determine value-in-use were also considered.

Britvic Brazil is seen as a growth market where maturity is not expected for a number of years. Sensitivity analysis was performed to assess the impact of a reasonable change in key assumptions to the impairment headroom of £78.2m. A 9.8% increase in the pre-tax discount rate to 24.7% or an 11.3% reduction in the sales volume annual growth rate between 2023 and 2026 to 3.7% would eliminate the headroom.

No impairment charges have been recognised during the 6 months ended 31 March 2022 (6 months ended 31 March 2021: no impairment charges).

Other than the goodwill held in Britvic Brazil, the directors do not consider that a reasonable possible change in the assumptions used to calculate recoverable amounts could result in any impairment.

10. Interest-bearing loans and borrowings

Components of interest-bearing loans and borrowings:

	31 March 2022 £m	31 March 2021 £m	30 September 2021 £m
2010 Notes	(34.0)	(32.9)	(33.5)
2014 Notes	(101.8)	(97.7)	(99.6)
2017 Notes	(175.0)	(175.0)	(175.0)
2018 Notes	(118.7)	(119.0)	(119.4)
2020 Notes	(150.6)	(151.1)	(151.7)
Accrued interest	(2.8)	(2.7)	(2.8)
Bank loans	-	(53.0)	-
Unamortised issue costs	2.9	3.2	2.9
Total interest-bearing loans and borrowings	**(580.0)**	**(628.2)**	**(579.1)**
Current	(36.1)	(55.1)	(2.2)
Non-current	(543.9)	(573.1)	(576.9)
Total interest-bearing loans and borrowings	**(580.0)**	**(628.2)**	**(579.1)**

Britvic has a committed £400.0m multi-currency revolving credit facility. A one-year extension to the maturity of the facility was approved by six of the seven lenders in February 2022 extending the maturity of £366.7m of this facility to February 2027. The remaining £33.3m will mature in February 2025. Borrowings drawn against the facility incur interest at a market reference rate plus a margin based upon a financial covenant ratio. Amounts drawn can be repaid and redrawn during the term of the facility.

Analysis of changes in interest-bearing loans and borrowings:

	6 months ended 31 March 2022 £m	6 months ended 31 March 2021 £m	12 months ended 30 September 2021 £m
At the beginning of the period	**(579.1)**	**(664.7)**	**(664.7)**
Net movement on revolving credit facility	-	(53.0)	-
Other loans repaid	-	-	0.1
Repayment of private placement notes*	-	74.1	74.1
Issue costs	0.3	0.3	0.3
Amortisation of issue costs and write-off of financing fees	(0.3)	(0.3)	(0.6)
Net translation gain and fair value adjustment	(0.9)	14.7	11.1
Accrued interest	-	0.7	0.6
At the end of the period	**(580.0)**	**(628.2)**	**(579.1)**
Derivatives hedging balance sheet debt**	22.2	17.1	19.5
Debt translated at contracted rate	**(557.8)**	**(611.1)**	**(559.6)**

* During the 6 months ended 31 March 2021, the Group repaid £74.1m of private placement notes, comprising £54.1m related to the 2010 Notes and £20.0m related to the 2014 Notes. £7.1m was also received on maturity of derivatives hedging the 2010 Notes and £1.6m was received in respect of the firm commitment for the 2010 Notes, resulting in net cash outflows presented in the consolidated statement of cash flows of £65.4m.

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

Interest rate benchmark reform

In advance of LIBOR cessation, the Group has amended its revolving credit facility agreement to reference Sterling Overnight Interbank Average (SONIA) rates in all future sterling drawdowns from 1 December 2021 onwards. A similar amendment process has been followed with regards to the Group's US private placement notes. The rebasing of derivatives to risk-free rates is not expected to impact upon hedge effectiveness or produce any material financial impact.

11. Issued share capital

The issued share capital is wholly comprised of ordinary shares carrying one voting right each. The nominal value of each ordinary share is £0.20. There are no restrictions placed on the distribution of dividends, or the return of capital on a winding up or otherwise.

Issued, called up and fully paid ordinary shares	No. of shares	Value £
At 1 October 2020	**266,916,062**	**53,383,212**
Shares issued	398,575	79,715
At 30 September 2021	**267,314,637**	**53,462,927**
Shares issued	428,785	85,757
At 31 March 2022	**267,743,422**	**53,548,684**

Of the issued and fully paid ordinary shares, 99,306 shares (30 September 2021: 129,455 shares) are own shares held by an employee benefit trust. This equates to £19,861 (30 September 2021: £25,891) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the Group's share schemes.

12. Dividends paid and proposed

	6 months ended 31 March 2022	6 months ended 31 March 2021	12 months ended 30 September 2021
Declared and paid in the period			
Dividends per share (pence)	17.7p	21.6p	28.1p
Total dividend (£m)	**47.2**	**57.5**	**74.8**
Proposed after the balance sheet date			
Dividend per share (pence)	7.8p	6.5p	17.7p
Total dividend (£m)	**20.9**	**17.4**	**47.3**

13. Derivatives and hedge relationships

The Group's outstanding derivatives were as follows:

	31 March 2022 £m	31 March 2021 £m	30 September 2021 £m
Consolidated balance sheet			
Non-current assets: derivative financial instruments			
Fair value of USD GBP cross-currency fixed interest rate swaps [1]	15.3	14.3	17.7
Fair value of USD GBP cross-currency floating interest rate swaps [3]	-	1.8	1.9
Fair value of foreign currency contracts [1]	0.1	-	0.1
Fair value of commodity contracts [1]	6.6	-	2.4
Fair value of interest rate swaps [1]	1.3	-	0.1
	23.3	**16.1**	**22.2**
Current assets: derivative financial instruments			
Fair value of USD GBP cross-currency fixed interest rate swaps [1]	3.6	0.6	0.6
Fair value of USD GBP cross-currency floating interest rate swaps [3]	2.3	0.3	0.3
Fair value of foreign currency contracts [1]	0.6	-	0.4
Fair value of foreign currency contracts [4]	1.5	0.4	-
Fair value of commodity contracts [1]	14.3	0.6	2.7
	22.3	**1.9**	**4.0**
Current liabilities: derivative financial instruments			
Fair value of foreign currency contracts [1]	(1.0)	(2.2)	(1.1)
Fair value of foreign currency contracts [4]	-	(0.1)	(0.2)
Fair value of GBP euro cross-currency floating interest rate swaps [2]	(0.4)	-	-
Fair value of commodity contracts [1]	(0.1)	-	(0.1)
	(1.5)	**(2.3)**	**(1.4)**
Non-current liabilities: derivative financial instruments			
Fair value of GBP euro cross-currency fixed interest rate swaps [2]	-	(0.5)	(0.6)
Fair value of foreign currency contracts [1]	-	(0.3)	-
Fair value of interest rate swaps [1]	-	(0.2)	-
	-	**(1.0)**	**(0.6)**
Total net derivative financial assets	**44.1**	**14.7**	**24.2**

[1] Instruments designated as part of a cash flow hedge relationship

[2] Instruments designated as part of a net investment hedge relationship

[3] Instruments designated as part of a fair value hedge relationship

[4] Instruments not designated in a hedging relationship

The above derivatives and associated hedge relationships are described in further detail on pages 169 to 171 of the Group's Annual Report and Accounts 2021. At 31 March 2022, the Group is party to a range of commodity derivatives to hedge price risk associated with aluminium (cans), diesel (logistics), sugar, natural gas, power and paraxylene (PET plastic) and has designated these derivatives as cash flow hedges. Increases in market prices for these commodities since the inception of these hedges have resulted in an increase in the fair value of commodity derivatives during the six months ended 31 March 2022.

14. Fair value

Hierarchy

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

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

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

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

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

Fair values of financial assets and financial liabilities

All derivatives are valued using valuation techniques with market observable inputs; this covers cross-currency interest rate swaps, interest rate swaps, foreign exchange forwards, foreign exchange swaps and commodity swaps. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. In assessing the fair value of derivatives, the non-performance risk of both the Group and its derivative trading counterparties has been taken into consideration. Default credit risk has been measured and the potential impact on derivatives valuations quantified. As at 31 March 2022, the potential impact from non-performance risk on the fair value of the derivatives portfolio is not material.

As in the prior year, the carrying value of financial assets and liabilities (trade and other receivables, cash and cash equivalents, interest-bearing loans and borrowings and trade and other payables) are considered to be reasonable approximations of their fair values, except for fixed rate borrowings, which have a book value of £420.3m and a fair value of £403.2m at 31 March 2022 (30 September 2021: £418.2m book value compared to a fair value £424.8m).

The fair value of the Group's fixed rate interest-bearing borrowings and loans are determined by using discounted cash flow methods using discount rates that reflect the Group's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2022 was assessed to be insignificant.

15. Pensions

At 31 March 2022, Britvic plc had IAS 19 pension surpluses in GB, ROI and NI totalling £164.0m and an IAS 19 pension deficit in France of £1.9m (30 September 2021: pension surpluses of £141.2m and pension deficits of £9.6m). The increase in the net pension asset is primarily attributable to a net remeasurement gain of £24.1m, of which £14.6m relates to the GB scheme.

The net income for defined benefit schemes recognised in the income statement for the 6 months ended 31 March 2022 was £0.7m (6 months ended 31 March 2021: net expense of £0.5m).

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

Contributions are paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the schedule of contributions. As noted in the Group's Annual Report and Accounts 2021, no further deficit funding payments are due to be paid except for the £5.0m annual partnership payment which will continue until 2025. This will be reviewed as part of the next triennial valuation as of 31 March 2022, which was in progress as at the date of this interim financial report.

Guaranteed Minimum Pension (GMP)

Following the Lloyds GMP equalisation case in October 2018, which ruled that treatment of men and women be brought in line for schemes with a guaranteed minimum pension, the Group previously recognised a charge of £6.2m in its 2019 financial statements to provide for the impact of GMP equalisation. In November 2020, a further ruling on the Lloyds case took place requiring that individual transfer payments made since 17 May 1990 would also need to be equalised for the effects of GMP and therefore the Group recorded a charge of £0.7m as part of adjusting items for the estimated cost of GMP equalisation arising from this latest judgement in 2021.

16. Provisions

The movement in the Group's provisions during the 6 months ended 31 March 2022 was as follows:

	Restructuring £m	Other £m	Total £m
At 1 October 2021	**5.3**	**0.5**	**5.8**
Provisions utilised during the year	(2.0)	-	(2.0)
Unused amounts reversed	(0.9)	-	(0.9)
Exchange differences	(0.1)	0.1	-
At 31 March 2022	**2.3**	**0.6**	**2.9**

Restructuring provisions at 31 March 2022 primarily relate to the implementation of historic group-wide strategic restructuring and provisions related to the closure of the Group's Norwich site.

Other provisions at 31 March 2022 relate to certain provisions recognised on acquisition of subsidiaries in Brazil, including regulatory and legal claims.

The movement in the Group's provisions during the 6 months ended 31 March 2021 was as follows:

	Restructuring £m	Other £m	Total £m
At 1 October 2020	**11.0**	**3.7**	**14.7**
Provisions made during the year	2.4	-	2.4
Provisions utilised during the year	(4.6)	-	(4.6)
Unused amounts reversed	(0.4)	(0.4)	(0.8)
Exchange differences	(0.4)	(0.3)	(0.7)
At 31 March 2021	**8.0**	**3.0**	**11.0**

17. Capital commitments

At 31 March 2022, the Group has capital commitments of £14.6m (30 September 2021: £10.8m) relating to the acquisition of property, plant and equipment. The increase in capital commitments since 30 September 2021 relates primarily to a new can line at the Rugby plant, which is expected to be brought into use during calendar year 2022.

18. Other reserves

The movement in the Group's other reserves was as follows:

	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Total £m
At 1 October 2021	**4.5**	**(38.1)**	**87.3**	**53.7**
Gains in the period in respect of cash flow hedges	18.5	-	-	18.5
Amounts reclassified to the income statement in respect of cash flow hedges	(2.1)	-	-	(2.1)
Deferred tax in respect of cash flow hedges	(2.7)	-	-	(2.7)
Exchange differences on translation of foreign operations	-	15.7	-	15.7
Tax on exchange differences	-	(0.3)	-	(0.3)
Movements included within other comprehensive income	13.7	15.4	-	29.1
Transfer of cash flow hedge reserve to inventories	(1.5)	-	-	(1.5)
At 31 March 2022	**16.7**	**(22.7)**	**87.3**	**81.3**

	Hedging reserve £m	Translation reserve £m	Merger reserve £m	Total £m
At 1 October 2020	**0.3**	**(27.8)**	**87.3**	**59.8**
Losses in the period in respect of cash flow hedges	(10.0)	-	-	(10.0)
Amounts reclassified to the income statement in respect of cash flow hedges	7.2	-	-	7.2
Deferred tax in respect of cash flow hedges	0.6	-	-	0.6
Exchange differences on translation of foreign operations	-	(16.8)	-	(16.8)
Tax on exchange differences	-	(1.7)	-	(1.7)
At 31 March 2021	**(1.9)**	**(46.3)**	**87.3**	**39.1**

Hedging reserve

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

Translation reserve

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

Merger reserve

The merger reserve arose as a result of the non-pre-emptive share placement which took place on 21 May 2010. It was executed using a structure which created a merger reserve under Section 612-613 of the Companies Act 2006.

19. Assets held for sale

As previously reported, on 8 October 2020, contracts were exchanged for the sale of the Britvic Norwich production site (jointly owned with Unilever). The sale of the Norwich land and buildings (which form part of the Group's GB operating segment) is subject to conditions precedent, including certain planning consents being obtained by the buyer. On 1 February 2022, the Company signed a variation agreement to allow the buyer additional time to obtain the necessary consents as certain planning processes have taken longer than initially anticipated. Accordingly, the sale may now take up until October 2024 to complete. The assets continue to be classified as assets held for sale under IFRS 5 as the assets are available for sale in their present condition and the sale is highly probable. In line with IFRS 5, assets held for sale are measured at the lower of carrying value and fair value less costs to sell. The carrying value of the Norwich land and buildings is £16.8m (30 September 2021: £16.8m).

20. Related party transactions

As disclosed in the Group's Annual Report and Accounts 2021, certain past dividends were paid otherwise than in accordance with the Companies Act 2006. During the six months ended 31 March 2021, the Group entered into deeds of release with its Directors in respect of past dividends paid otherwise than in accordance with the Companies Act 2006 (see note 12 to the parent company financial statements within the Annual Report and Accounts 2021). The Directors are related parties of the Company and therefore the entry by the Company into a deed of release in favour of the Directors constituted a related party transaction for the purposes of the Listing Rules.

21. Retrospective restatements

(i) Software-as-a-Service (SaaS) arrangements

As disclosed in note 4, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements. This is in response to the IFRS Interpretations Committee (IFRIC) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements.

The Group's accounting policy has historically been to capitalise costs directly attributable to the configuration and customisation of SaaS arrangements as intangible assets in the balance sheet, irrespective of whether the services were performed by the SaaS supplier or a third party. Following the adoption of the IFRIC guidance, SaaS arrangements were identified and assessed to determine if the Group has control of the software with ongoing rights to access the cloud provider's application software beyond the contract period. For those arrangements where the Group does not have control of the software, the Group derecognised the intangible asset previously capitalised and recognised the costs to configure or customise and the ongoing fees to obtain access to the cloud provider's application software as operating expenses when the services were received.

The implementation of the updated accounting policy gave rise to a restatement of historical financial information in accordance with IAS 8 as set out below. This change led to an £11.8m reduction in intangible assets at 30 September 2021 (£6.4m at 31 March 2021) and an £8.3m reduction in profit before tax in the year ended 30 September 2021 (£2.9m for 6 months ended 31 March 2021). Substantially all of the SaaS implementation costs that have been expensed relate to systems that were in the process of being implemented at the comparative balance sheet dates and therefore the impact of reversing amortisation has not been material to the comparative income statements. The taxation charge and associated deferred tax balances have also been restated by the amounts shown below.

Impact of restatement on the balance sheet

	30 September 2021 £m	31 March 2021 £m	1 October 2020 £m
Intangible assets	(11.8)	(6.4)	(3.5)
Total assets	**(11.8)**	**(6.4)**	**(3.5)**
Deferred tax liabilities	2.2	1.2	0.6
Total liabilities	**2.2**	**1.2**	**0.6**
Net assets	**(9.6)**	**(5.2)**	**(2.9)**
Retained earnings	(9.6)	(5.2)	(2.9)
Total equity	**(9.6)**	**(5.2)**	**(2.9)**

Impact of restatement on the income statement

	12 months ended 30 September 2021 £m	6 months ended 31 March 2021 £m
Administration expenses	(8.3)	(2.9)
Profit before tax	**(8.3)**	**(2.9)**
Taxation	1.6	0.6
Profit for the period attributable to equity shareholders	**(6.7)**	**(2.3)**
Basic earnings per share	**(2.5)p**	**(0.9)p**
Diluted earnings per share	**(2.5)p**	**(0.8)p**

Impact of restatement on the statement of cash flows

	12 months ended 30 September 2021 £m	6 months ended 31 March 2021 £m
Cash flows from operating activities		
Profit before tax	(8.3)	(2.9)
Net cash flows from operating activities	**(8.3)**	**(2.9)**
Cash flows from investing activities		
Purchases of intangible assets	8.3	2.9
Net cash flows used in investing activities	**8.3**	**2.9**
Net increase/(decrease) in cash and cash equivalents	**-**	**-**

(ii) Finalisation of Aqua Libra Co acquisition accounting

On 6 June 2020, the Group acquired 100% of the issued share capital of The Boiling Tap Company Limited (subsequently renamed Britvic Aqua Libra Co Limited, 'Aqua Libra Co'), an integrated tap system business that supplies high-quality taps primarily to commercial customers across GB, offering hot, cold and sparkling water.

The initial accounting for the acquisition was provisional at 30 September 2020 and 31 March 2021 due to the significant uncertainties posed by COVID-19 on the valuation of intangible assets and contingent consideration. During the year following acquisition, the Group identified that COVID-19 has had a much more significant impact on Aqua Libra Co than was previously anticipated at the acquisition date. In particular, COVID-19 resulted in temporary closures and restrictions on the offices and workplaces that form a key part of Aqua Libra Co's customer base. Since restrictions have been lifted, the business has shown continuous growth and management remain confident about its long-term prospects. COVID-19 has however had an adverse impact on the cash flows expected to be generated in the short-term following acquisition and as a result the performance conditions for the contingent consideration are not expected to be met. In accordance with the measurement period requirements of IFRS 3, the Group has retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect more information about the impact of COVID-19 on the business. This has resulted in a decrease in the fair values of intangible assets acquired, a decrease in the deferred tax liability associated with the intangible assets and a decrease in the fair value of contingent consideration payable. The comparative balance sheet at 31 March 2021 has been revised as if the adjustments had been made at the acquisition date. The effect of this restatement is set out below. The finalisation of the acquisition accounting has had no impact on the income statement for the six months ended 31 March 2021.

Impact of restatement on the balance sheet

	31 March 2021	1 October 2020
	£m	£m
Intangible assets	(5.9)	(5.9)
Non-current assets / total assets	**(5.9)**	**(5.9)**
Deferred tax liability	0.7	0.7
Other non-current liabilities	5.2	5.2
Non-current liabilities / total liabilities	**5.9**	**5.9**
Net assets	**-**	**-**

Appendix 1

NON-GAAP RECONCILIATIONS

Adjusting items

The Group excludes adjusting items from its non-GAAP measures because of their size, frequency and nature to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess trends in financial performance more readily.

These items primarily relate to strategic restructuring, impairment of assets, acquisitions and disposals. In addition, the amortisation of acquisition-related intangibles and the expense associated with the change in accounting policy for SaaS arrangements are considered to be adjusting items.

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

	Note	6 months ended 31 March 2022 £m	Restated* 6 months ended 31 March 2021 £m	Restated* 12 months ended 30 September 2021 £m
Implementation of SaaS accounting guidance	(a)	(3.2)	(2.9)	(8.3)
Strategic restructuring – business capability programme	(b)	(0.3)	(0.5)	(1.0)
Strategic restructuring – organisational capability transformation	(c)	-	(3.5)	(5.7)
Credits in relation to the acquisition and integration of subsidiaries	(d)	0.2	0.5	0.7
Strategic M&A activity	(e)	1.2	0.3	(0.9)
Past service cost on pension schemes	(f)	-	(0.7)	(0.7)
Acquisition-related amortisation	(g)	(4.3)	(3.9)	(8.2)
Total included in operating profit		**(6.4)**	**(10.7)**	**(24.1)**
Unwind of discount on consideration payable for acquisitions	(h)	-	(0.2)	(0.1)
Total included in finance costs		**-**	**(0.2)**	**(0.1)**
Tax on adjusting items included in profit before tax		0.4	1.3	2.6
Total included in taxation		**0.4**	**1.3**	**2.6**
Net adjusting items		**(6.0)**	**(9.6)**	**(21.6)**

* Please refer to note 21 for details of SaaS arrangements restatement.

a. Implementation of change in accounting policy in relation to customisation and configuration costs of SaaS expensed as incurred of £3.2m (see note 4).

b. 'Strategic restructuring – business capability programme' relates to a restructuring of supply chain and the operating model across the Group, initiated in 2016. Costs in the period of £0.3m relate to the closure of the Norwich site and are primarily site running costs. Costs in the 6 months ended 31 March 2021 were of a similar nature.

c. 'Strategic restructuring – organisational capability transformation' in the prior period relates to contract termination costs in relation to the closure of the Counterpoint business.

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

e. Strategic M&A credit of £1.2m in relation to remeasurement of historic provisions.

f. During the 6 months ended 31 March 2021, a charge of £0.7m for past service costs was recognised resulting from the equalisation of Guaranteed Minimum Pensions (GMP) for the GB defined benefit scheme (see note 15).

g. Acquisition-related amortisation relates to the amortisation of intangibles recognised on acquisitions in Britvic Ireland, Britvic France, Britvic Brazil, Aqua Libra Co and Plenish.

h. The unwind of discount on consideration payable for acquisitions relates to the change in fair value of the deferred consideration payable for Aqua Libra Co.

Adjusted profit

	6 months ended 31 March 2022 £m	Restated* 6 months ended 31 March 2021 £m	Restated* 12 months ended 30 September 2021 £m
Operating profit as reported	67.1	49.4	152.4
Add back adjusting items in operating profit	6.4	10.7	24.1
Adjusted EBIT	**73.5**	**60.1**	**176.5**
Net finance costs	(7.8)	(9.6)	(17.8)
Add back adjusting items in net finance costs	-	0.2	0.1
Adjusted profit before tax and acquisition-related amortisation	**65.7**	**50.7**	**158.8**
Acquisition-related amortisation	(4.3)	(3.9)	(8.2)
Adjusted profit before tax	**61.4**	**46.8**	**150.6**
Taxation	(13.4)	(8.9)	(38.1)
Less adjusting tax credit	(0.4)	(1.3)	(2.6)
Adjusted profit after tax	**47.6**	**36.6**	**109.9**
Adjusted effective tax rate	**22.4%**	**21.8%**	**27.0%**

* Please refer to note 21 for details of SaaS arrangements restatement.

Adjusted earnings per share

	6 months ended 31 March 2022	Restated* 6 months ended 31 March 2021	Restated* 12 months ended 30 September 2021
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders (£m)	45.9	30.9	96.5
Add: net impact of adjusting items (£m)	6.0	9.6	21.6
Adjusted earnings (£m)	51.9	40.5	118.1
Weighted average number of ordinary shares in issue for basic earnings per share (millions)	267.4	266.7	266.8
Adjusted basic earnings per share (pence)	**19.4p**	**15.2p**	**44.3p**
Adjusted diluted earnings per share			
Adjusted earnings (£m)	51.9	40.5	118.1
Effect of dilutive potential ordinary shares – share schemes (millions)	0.6	0.7	0.6
Weighted average number of ordinary shares in issue for diluted earnings per share (millions)	268.0	267.4	267.4
Adjusted diluted earnings per share (pence)	**19.4p**	**15.1p**	**44.2p**

* Please refer to note 21 for details of SaaS arrangements restatement.

Free cash flow

	6 months ended 31 March 2022 £m	Restated* 6 months ended 31 March 2021 £m	Restated* 12 months ended 30 September 2021 £m
Net cash flows from operating activities	**38.4**	**39.5**	**224.0**
Purchases of property, plant and equipment	(21.8)	(19.4)	(56.4)
Purchases of intangible assets	(2.8)	(4.0)	(9.0)
Proceeds from sale of property, plant and equipment	-	-	0.1
Interest paid, net of derivative financial instruments	(7.1)	(8.1)	(15.4)
Repayment of principal portion of lease liabilities	(3.8)	(5.1)	(8.7)
Repayment of interest portion of lease liabilities	(0.9)	(1.0)	(1.9)
Free cash flow	**2.0**	**1.9**	**132.7**

* Please refer to note 21 for details of SaaS arrangements restatement.

Adjusted net debt

	Note	31 March 2022 £m	31 March 2021 £m	30 September 2021 £m
Cash and cash equivalents		(24.0)	(40.9)	(71.1)
Derivatives hedging balance sheet debt	10	(22.2)	(17.1)	(19.5)
Interest-bearing loans and borrowings	10	580.0	628.2	579.1
Adjusted net debt		**533.8**	**570.2**	**488.5**