Britvic plc Interim Results – 18 May 2021

“Emerging stronger, confident in future growth prospects”

For the 6 months ended 31 March 2021

Group Financial Headlines:

- Revenue decreased 6.3%* to £617.1m (reported -11.7%)
- Adjusted EBIT decreased 15.4%* to £60.1m (reported -20.6%), statutory EBIT declined 16.7%
- Adjusted EBIT margin decreased 110bps* to 9.7% (reported -110bps)
- Profit after tax decreased 14.7% to £33.2m
- Adjusted earnings per share decreased 20.0%* to 15.2p, basic EPS declined 15.6% to 12.4p
- Disciplined cash management with adjusted net debt £94.3m lower year-on-year and adjusted net debt / EBITDA leverage ratio peaking at 2.8x
- Reinstating our interim dividend with a dividend of 6.5p

Highlights:

- Strong growth in At-Home channels, resulting in continued share gains in GB and Brazil
    - Britvic GB At-Home channel RSV +6.2% vs soft drinks market +1.6%; led by family favourites Robinsons, Pepsi MAX, 7UP and Grocery online outpacing strong market growth
    - Into the 4th consecutive year of revenue growth in Brazil
- Pandemic restrictions heavily impacted performance in hospitality sector and on-the-go consumption
- Significant progress against our strategic objectives including:
    - Relaunch of Rockstar in H2 to accelerate growth in the energy category
    - Acquisition of Plenish, a premium plant-based beverages brand in a fast-growing category
    - Simplification of Ireland business with closure of Counterpoint wholesale
    - Healthier People, Healthier Planet progress including supporting UK government Kickstart employment initiative and implementation of 100% rPET underway in GB

Current Trading & Outlook:

- Encouraging trading in the first weeks of H2 as lockdown measures begin to ease in the UK
- Investment to ramp up in H2 to capitalise on near-term market opportunities and drive long-term growth
- Going forward we anticipate positive mix impact as At-Home growth moderates, socialising increases and on-the-go consumption regains momentum

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	% change actual exchange rate (AER)	Underlying % change constant exchange rate *
Revenue	617.1	698.8	(11.7)%	(6.3)%
Adjusted EBIT	60.1	75.7	(20.6)%	(15.4)%
Adjusted EBIT margin	9.7%	10.8%	(110)bps	(110)bps
Adjusting EBIT Items**	7.8	12.9	39.5%	-
Statutory EBIT	52.3	62.8	(16.7)%	-
Statutory EBIT margin	8.5%	9.0%	(50)bps	-
Profit after tax	33.2	38.9	(14.7)%	-
Basic EPS	12.4p	14.7p	(15.6)%	-
Adjusted EPS	15.2p	19.0p	(20.0)%	-
Interim dividend per share	6.5p	-	-	-
Adjusted net debt/EBITDA	2.8x	2.5x	(0.3)x	-

** Adjusted for constant currency and excludes the private label juice business that was disposed of in 2020. **Adjusting items are defined on page 31 and include strategic restructuring costs of £3.2m and acquisition related amortisation of £3.9m. Total adjusting items includes £0.2m in finance costs.*

Simon Litherland, Chief Executive Officer commented:

“In challenging circumstances, we have delivered a robust first half performance, demonstrating the resilience and agility of our business. We have continued to win in the channels open to us and have gained share in our key growth markets of GB and Brazil. Our cash management has been particularly strong, and I am pleased to reinstate our interim dividend.

We have also made good progress on our strategic opportunities, such as simplifying our Irish business, entering the mainstream energy category in GB and Ireland by relaunching Rockstar with PepsiCo, and acquiring Plenish, a leading natural premium brand in the fast growing plant based drinks category.

In the second half we plan to rebuild investment behind our brands to ensure we emerge strongly and are best positioned for the recovery as it evolves. As lockdown restrictions have started to ease in some of our markets, early trading has been encouraging. Although some uncertainty does remain, I am confident that our strategy and focus on People, Planet and Performance will ensure we deliver growth for all our stakeholders, both in the short and long term."

For further information please contact:

Investors:

Joanne Wilson (Chief Financial Officer)	+44 (0) 7881 751550
Steve Nightingale (Director of Investor Relations)	+44 (0) 7808 097784

Media:

Kathryn Partridge (Director of Corporate Affairs)	+44 (0) 7803 854229
Stephen Malthouse (Headland)	+44 (0) 7734 956201

There will be a webcast of the presentation given today at 09:30am by Simon Litherland (Chief Executive Officer) and Joanne Wilson (Chief Financial Officer). The webcast will be available at www.britvic.com/investors with a transcript available in due course.

Notes to editors

About Britvic

Britvic is one of the leading branded soft drinks businesses in Europe. The company combines its own leading brand portfolio including Robinsons, Tango, J2O, London Essence, Teisseire and MiWadi with PepsiCo brands such as Pepsi, 7UP and Lipton Ice Tea, which Britvic produces and sells in GB and Ireland under exclusive PepsiCo agreements.

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

Cautionary note regarding forward-looking statements

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

Market data

GB take-home market data referred to in this announcement is supplied by Nielsen and runs to 27 March 2021. ROI take-home market data referred to is supplied by Nielsen and runs to 28 March 2021. French market data is supplied by Nielsen and runs to 28 March 2021. Brazil is supplied by Nielsen and runs to 28 February 2021.

Next scheduled announcement

Britvic will publish its quarter three trading statement on 22 July 2021.

Chief Executive Officer's Review

Today we report our results for the 6 months to 31 March 2021, during which time our business has continued to be impacted by the COVID-19 pandemic. Throughout this time, we have remained focused on our priorities of:

- Safeguarding our people;
- Maintaining our operational agility;
- Supporting customers, suppliers and communities; and
- Retaining our financial strength.

I am very proud of the collective efforts of the Britvic team, who have shown exceptional dedication to deliver our strategic priorities as well as support the communities in which we live and work. On behalf of the Board and the Executive I want to extend my thanks to all of them and their families for their continued commitment.

Inevitably, our financial performance was impacted by both the re-introduction of lockdowns and continued social distancing measures. The trends we saw in 2020 have continued in 2021, with sales in the At-Home channel remaining strong, while Out-of-Home sales declined, albeit to a lesser degree than in the first nationwide lockdown. As we enter the second half of the year and the key summer trading period in our European markets, we have optimism for the future as the vaccination programme in the UK continues at pace and gathers momentum across the European Union.

While it is very early in the journey towards recovery, we are confident that performance in the Out-of-Home channels will ultimately rebound strongly as restrictions continue to ease. Having spent long periods at home, with limited interaction with family and friends, we believe people's desire to socialise and travel, combined with the prospect of a return to a more normal life in the coming months, will translate into improved consumer confidence and spend. We fully intend to be at the forefront of the recovery and will invest for growth to ensure our brands are well-positioned to benefit.

Progress on our strategic priorities

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 concentrated our future focus 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

We defined the role each of our business units would play:

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

And we identified three enablers to support the growth strategy:

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

Over the last twelve months both the consumer and customer trends have reinforced our confidence in our strategy, and our ability to execute against it, so we continue to deliver for all our stakeholders with excellent returns for our shareholders. In the first half of 2021, despite the pandemic, we have continued to make significant strategic progress.

Build Local Favourites and Global Premium Brands

Performance of our core brands was strong in the At-Home channel, with our portfolio of known and trusted brands, and a focus on healthier choices, resonating with consumers as they spent more time at home and placed increased focus on their health and wellbeing. In GB, we have continued to benefit from the transformational investment in our supply chain. The Business Capability Programme has enabled a new level of flexibility, which has allowed us to compete far more effectively than we would previously have been able to, enabling us to win in the channels open to us. We have also executed excellent in-store activity and delivered targeted marketing campaigns such as 'Christmas Refreshed' for Pepsi MAX, Tango 'Tanguru' and Purdey's wellness digital campaigns. We have continued to optimise pack formats across channels and increased our investment in both online and broader digital capability. Consequently, while the GB soft drinks market grew value 1.6%, we increased value by 6.2% this year. Over the last twelve months, which reflects the full impact of the pandemic, we significantly outperformed the market, growing at more than three times the rate of the market and gaining significant market share. Beyond the At-Home channel we have also strengthened our position with new contract wins and contract extensions in the Quick Service Restaurants and Foodservice channels.

Likewise, in Brazil we significantly outperformed the market, growing share across our categories over the last year. Our strategy to rejuvenate the flavour concentrates category has proven successful and we have increased our share by 910bps over the last twelve months, in a growing market. We are also very pleased with the continued strong growth of our innovation brands, including Puro Coco and Maguary grape juice.

Performance in Ireland was particularly challenging, where lockdown restrictions have heavily impacted the pub sector and limitations on local travel have resulted in lower on-the-go sales. We announced in February the closure of the Counterpoint wholesale business, as part of our strategic goal of improving profitability. The closure means we will no longer act as a wholesaler to the trade and sell low-margin third-party brands and have instead signed distribution agreements to ensure our brands remain widely available across the on-trade. At the end of last year, we completed the sale in France of our private label juice business and transfer of our juice manufacturing to Refresco. The business is now simpler and focused on our higher margin own brands; in the first half of the year, sales of our flavour concentrate brands, Teisseire and Moulin De Valdonne, were ahead of last year and both brands grew market share.

Our global premium brands, London Essence and Mathieu Teisseire, have until last year been largely focused on growing in the Out-of-Home channel, which has been heavily impacted by the pandemic. Nevertheless, we have continued to make good progress; for example, in GB we launched London Essence Fresh Serve on dispense last year and we have continued to win new contracts in anticipation of the reopening of pubs and restaurants. We also pivoted our focus to the At-Home channel with the launch of multi-pack can formats of London Essence for the retail channel.

Flavour Billions of Water Occasions

The pandemic has heightened people's focus on both their health and their impact on the planet. Healthy hydration is increasingly important for consumers, and we have a portfolio of market-leading flavour concentrates, providing healthy, tasty flavour to encourage increased water consumption. Our brands offer great value and very low average calories per serve, without compromising on taste. Our flavour concentrate brands also allow our consumers to protect the planet. Each bottle uses significantly less packaging than buying ready-to-drink offerings, as well as reduced emissions from not transporting millions of litres of water. Our portfolio of flavour concentrate brands has continued to perform well, with global revenue increasing 5.7% in the first half.

Over the whole year of the pandemic, our flavour concentrates brands have thrived, as families have spent more time at home. In GB, Robinsons has increased its retail market value by 8.6%, while in Ireland, Robinsons value increased 9.2% and MiWadi value increased by an impressive 17%. Similarly, in France, both Teisseire and Moulin De Valdonne have delivered high single digit value growth and our rejuvenated brands in Brazil have also performed strongly, achieving our highest market share since acquisition in 2015. As the Out-of-Home channel reopens across our markets and people spend less time at home, the rate of growth for flavour concentrates is likely to moderate, but we are confident that the alignment with consumer trends and the strong marketing and innovation plans we have coming to market will deliver further growth in the years ahead.

Healthier People, Healthier Planet

Healthier People, Healthier Planet sits at the core of our strategy. Consumers' focus on their own health has increased during the pandemic and we continue to lead the category by keeping our average calories per serve low across our entire portfolio. We anticipate around 90% of the portfolio will be below the threshold of the HFSS food products legislation, which is likely to be brought into law in the UK in 2022. We have continued to support our people through a network of Diversity and Inclusion initiatives, and I am delighted to share that we committed to providing 50 job placements for young people in the UK at risk of long-term unemployment by supporting the government's KickStart initiative.

Packaging remains a key focus. We want to see a world where packaging never becomes waste, which will take the collective efforts of business, government and consumers to achieve. In Scotland, the proposed Deposit Return Scheme is an important step forward. Recently Circularity Scotland, of which Britvic is a founder member, was appointed to administer the scheme. Circularity Scotland will work with companies throughout the supply chain, from producers through to hospitality, wholesalers and retailers, to deliver a system that is expected to collect at least 90%

of drinks containers across Scotland. Britvic has already committed to 100% rPET across the GB portfolio by the end of 2022 and, following the successful completion of trials, will begin the rollout in the coming months. We anticipate that by the end of the year all our on-the-go and Out-of-Home plastic bottles made in GB will be 100% rPET, along with certain Robinsons SKUs. In France we have supported an environmental initiative, resulting in the planting of 10,500 trees in the Verdun Forest, in conjunction with the Office National Des Forêts, the government agency that is responsible for the sustainable management of 10 million hectares of public forests.

Access New Growth Spaces

Earlier this month we announced the acquisition of Plenish, a premium, plant-based beverages brand in GB which offers a range of organic, clean-label drinks across plant-based milks, cold pressed juices and functional shots. Founded in 2012 as a direct-to-consumer brand, it has since expanded into retail distribution. Using best-in-class ingredients sourced from sustainable, organic farms and no additives, the Plenish brand gives Britvic access to a fast-growing category and is directly aligned to the Group strategic priorities of Access New Growth Spaces and Healthier People, Healthier Planet.

This summer we will be relaunching Rockstar, from PepsiCo, for which we took on the distribution rights as part of the 20 year franchise extension we signed last November. Alongside Purdey's, Rockstar will increase our presence in the energy category, which has a retail value in GB of £1.3bn and continues to grow. In conjunction with PepsiCo, we will bring to market a significant rejuvenation of the brand. This will include a new brand identity, better tasting liquids with added functional benefits, as well as a major marketing programme.

Last year we accelerated our access to beyond the bottle solutions with the acquisition in GB of The Boiling Tap Company (TBTC), which installs and services proprietary integrated tap solutions for still, sparkling and hot water to a wide range of primarily commercial customers. While its core market of workplace has been to a large extent closed for most of the last year, we have used the time to work on upgrading our offer by combining the equipment expertise which came from The Boiling Tap Company with Britvic's know-how in flavouring water, to create a range of solutions to provide healthy, sustainable hydration in multiple channels. We have now rebranded the offering as Aqua Libra Co. to emphasise the importance of the product solution and not just the equipment.

Online and digital presence was a key focus before the pandemic and has only accelerated since. We are transforming how Britvic brands show up online, to the end consumer, shopper and customer. Our centre of excellence for consumer experience is focused on accelerating digital marketing capability across the organisation. Online shopping has accelerated significantly in the last year. In GB it has jumped from 10% of soft drinks sales in 2019 to 14% in 2020 and has continued to increase in 2021. We expect many of those new online shoppers to stay. Online is also becoming increasingly important within the wholesale channel, with 42% of orders now online. We have increased our focus and resources pointed at this channel, and across the customer base we typically achieve a share online which is several points ahead of that in store. We are also leveraging this expertise with pure play operators such as Amazon and delivery aggregators such as Deliveroo and Just Eat. Soft drinks incidence in these channels is low so there is a lot of opportunity to go after.

Outlook

We enter the second half of the year with confidence and optimism. While there remains some uncertainty over the pace of re-opening in the Out-of-Home channel, we will continue to work in close partnership with our customers to achieve the strongest possible restart, while continuing to build on our share gains in At-Home. In the second half, we will upweight investment behind our broad brand portfolio and we will also access new growth opportunities through the acquisition of Plenish and the relaunch of Rockstar.

Across the whole portfolio, we are bringing to market a comprehensive mix of exciting marketing campaigns and innovation. This will include new flavours, pack formats and the introduction of added health benefits, as well as proven marketing campaigns such as the Pepsi MAX Champions League sponsorship and Wimbledon themed activity for Robinsons in GB.

Britvic has continued to demonstrate resilience and agility throughout the pandemic, and the soft drinks category long-term growth prospects remain strong. While there is still some uncertainty in the short term, we have a fantastic team and a portfolio of market-leading, family favourite brands, so I am confident Britvic will continue to deliver long-term growth and value for all our stakeholders.

Chief Financial Officer's Review

Overview

The continuing impact of trading restrictions and social distancing measures in each of our markets adversely impacted our financial performance in the first half of the year. While the closure of the on-trade and loss of on-the-go volume again drove negative mix, we continued to take decisive action to reduce costs across our business and optimised our revenue growth management, both of which have helped to mitigate some of the profit and cash impacts. Underlying revenue declined 6.3% (AER declined 11.7%), on a constant currency basis, while underlying adjusted EBIT declined 15.4% (AER declined 20.6%). Interest costs were down year-on-year following our successful refinancing last year and as a result of a lower level of debt. Profit after tax decreased 14.7% and adjusted EPS decreased 20.0% year-on-year, on an actual basis. Basic EPS declined 15.6% to 12.4p.

Reflecting confidence in our full year performance, the Board has reinstated the interim dividend and declared a dividend of 6.5p. As a result of tight cash management, we have been able to reduce our year-on-year net debt balance by £94.3m, ending the half year with an adjusted net debt to EBITDA ratio of 2.8 times, reflecting a full year impact of the pandemic on EBITDA.

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 2021 £m	6 months ended 31 March 2020 £m	% change actual exchange rate
Volume (million litres)	746.7	794.8	(6.1)%
ARP per litre	55.3p	54.6p	1.3%
Revenue	413.2	434.0	(4.8)%
Brand contribution	165.3	168.3	(1.8)%
Brand contribution margin	40.0%	38.8%	120bps

Volume and revenue declined, driven by the impact of restrictions on the hospitality channel, and lower mobility levels reducing on-the-go consumption of smaller pack formats. In the At-Home channel we delivered over 11% revenue growth and continued to gain market share, with demand remaining strong for larger value packs. At-Home performance was driven by a continued focus on optimising our pack-price mix, protecting strong service levels and consumers seeking out trusted brands and healthier choices. We also took advantage of the shift online, growing ahead of the market. At-Home revenue growth was led by Pepsi MAX, 7UP free and Robinsons squash. We continued to see an underlying adverse mix impact on brand contribution from the overall channel shift, which was offset by A&P savings as well as disciplined revenue management.

Brazil	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Volume (million litres)	146.2	128.6	13.7%	13.7%
ARP per litre	38.3p	51.4p	(25.5)%	1.3%
Revenue	56.0	66.1	(15.3)%	15.2%
Brand contribution	11.5	16.3*	(29.4)%	(4.1)%
Brand contribution margin	20.5%	24.7%	(420)bps	(420)bps

Revenue increased 15.2%, driven by strong performance across the portfolio. Flavour concentrates revenue increased 9.0%, partly driven by the continued success we have had in rejuvenating the concentrates category and resulted in our highest market share since acquisition of the business in 2015. Ready-to-drink (RTD) pack formats revenue increased 27.3%, led by Maguary and Puro Coco, with both brands also growing market share. Brand margin declined 420bps in the first half driven by increasing inflation and a lower PIS/COFINS historic tax rebate. Excluding the impact of PIS/COFINS, revenue increased 17.7% and brand contribution increased 3.1% on a constant currency basis.

Rest of World

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Volume (million litres)	169.2	227.5	(25.6)%	(8.5)%
ARP per litre	85.1p	79.4p	7.2%	0.1%
Revenue	147.9	198.7	(25.6)%	(15.9)%
Brand contribution	46.0	62.0	(25.8)%	(14.0)%
Brand contribution margin	31.1%	31.2%	(10)bps	70bps

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

Reported revenue declined 25.6%, which includes the impact of the sales of assets and exit of private label juice business in France; on a like-for-like basis revenue declined 15.9%. In France, flavour concentrates revenue increased, but was offset by weaker sales of Fruit Shoot and Pressade. In Ireland, revenue declined due to trading and mobility restrictions, which severely limited sales to the on-trade as well as on-the-go consumption of smaller pack formats. Sales in the travel sector declined over 50% due to the reduction in holidays and business travel. A&P savings partly offset the decline, resulting in brand contribution declining 14.0%.

Fixed costs – pre-adjusting items

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	% change actual exchange rate	% change like-for-like at constant exchange rate
Non-brand A&P	(4.3)	(6.0)	28.3%	28.3%
Fixed supply chain	(62.6)	(61.3)*	(2.1)%	(12.8)%
Selling costs	(36.0)	(40.3)	10.7%	8.1%
Overheads and other	(59.8)	(63.3)	5.5%	3.7%
Total	(162.7)	(170.9)	4.8%	0.0%
Total A&P investment	*(19.6)*	*(23.8)*		
A&P as a % of own brand revenue	*3.2%*	*3.5%*		

* Reclassification of certain H1 2020 costs in Brazil (£0.2m) variable to fixed costs to allow like-for-like comparison with H1 2021.

Total A&P spend declined by £4.2m, reflecting selective investment across our brands and channel portfolio in the first half and the re-phasing of activity into the second half, to optimise opportunities as restrictions ease. Fixed supply chain costs increased 12.8%, primarily due to short-term co-packing requirements in Brazil and in GB, where it was needed to meet increased demand for cans ahead of a new line becoming operational in early 2022. Selling costs and overheads were lower due to reduced travel, conference and other discretionary spend, partly offset by a rebuild of variable reward accruals.

Interest

The net finance charge for the 6 months ended 31 March 2021 was £9.6m, compared with £9.2m in the comparative period. Lower interest on borrowings was offset by a charge related to the hedge accounting of private placement notes.

Adjusting items – pre-tax

In the period, the Group incurred, and has separately disclosed, a net charge of £8.0m (2020: £12.9m) of pre-tax adjusting items, of which £7.8m is included within administration expenses in the income statement and £0.2m within finance costs. Adjusting items comprise:

- Strategic restructuring costs £3.2m, primarily relating to the closure of Counterpoint in Ireland;
- Recurring acquisition-related amortisation £3.9m;
- A charge of £0.7m for past service costs on the GB pensions related to GMP equalisation; and
- Other £0.2m.

Taxation

The adjusted tax charge was £10.2m, which equates to an effective tax rate of 21.8% (6 months ended 31 March 2020: 26.1%). This decrease is due to inclusion in the prior year of a one-off increase in the deferred tax charge following the UK government announcement in March 2020 that tax rates would remain at 19%. The reported net tax charge was £9.5m (6 months ended 31 March 2020: £14.7m), which equates to an effective tax rate of 22.2% (6 months ended 31 March 2020: 27.4%).

Earnings per share (EPS)

Adjusted basic EPS for the period was 15.2 pence, a decrease of 20.0% (at actual exchange rates) on the same period last year due to lower operating profits and unfavourable exchange rate movements. Adjusted diluted EPS declined 20.1%. Basic EPS for the period was 12.4 pence, a decrease of 15.6% on last year.

Dividends

The Board is declaring an interim dividend of 6.5p per share with a total value of £17.4m. The interim dividend for 2021 will be paid on 7 July 2021 to shareholders on record as at 28 May 2021. The ex-dividend date is 27 May 2021. There was no interim dividend paid in the prior year as the decision was deferred until the year-end in order to assess the impact of COVID-19 on the business.

Free cash flow

Free cash flow (defined as cash generated from operating activities, less capital expenditure, interest and repayment of lease liabilities) was an inflow of £1.9m, compared with an outflow of £51.8m in the 6 months ended 31 March 2020. Cash generated from operating activities before changes in working capital and income tax paid was £85.6m compared to £98.6m in the comparative period.

There was a working capital outflow of £39.4m (6 months ended 31 March 2020: £94.6m outflow), driven by outflows in trade and other payables of £43.5m (6 months ended 31 March 2020: £105.8m outflow), inventories of £17.5m (6 months ended 31 March 2020: £0.1m inflow), provisions of £3.0m (6 months ended 31 March 2020: £3.6m outflow) and other current assets of £10.0m (6 months ended 31 March 2020: £nil), offset by an inflow in trade and other receivables of £34.6m (6 months ended 31 March 2020: £14.7m inflow).

The outflow in trade and other payables is mainly due to decreases in trade activity in the year as a result of COVID-19 and seasonality. The outflow in inventories, which were up £2.1m year-on-year, is mainly driven by an increase in finished goods to prepare for summer, when trade activity is expected to increase. The other current assets outflow relates to pension contributions (see pensions section below).

The inflow in trade and other receivables is due to lower trading volumes and a strong focus on credit management and collections with average days sales outstanding reducing by over ten days in the first half and a significant reduction in overdue balances.

Net tax paid in the period of £3.8m is lower than £12.1m net tax paid in the 6 months to 31 March 2020, primarily due to a cash tax rebate in France of £7.0m following the loss on disposal of the juice business recognised in September 2020. Capital expenditure remained consistent at £26.3m (6 months ended 31 March 2020: £25.8m).

Treasury management

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

On 31 March 2021, the Group had £959m of committed debt facilities, consisting of a £400m bank facility, of which £53m was drawn, and a series of private placement notes, with maturities between December 2022 and May 2035. A one-year extension to the maturity of the Group's £400m bank facility was approved by 6 of the 7 lenders in February 2021 extending the maturity of £367m of this facility to February 2026. The remaining £33m will mature in February 2025.

At 31 March 2021, the Group's net debt of £587.3m (excluding derivative hedges) mainly comprised of £575.7m of private placement notes, £53.0m of bank loans and £2.7m of accrued interest, offset by net cash and cash equivalents of £40.9m and unamortised debt issue costs of £3.2m. Including the element of the fair value of interest rate currency swaps hedging the balance sheet value of the private placement notes, the Group's adjusted net debt was £570.2m, which compares with £520.4m at 30 September 2020.

Pensions

At 31 March 2021, the Group had IAS 19 pension surpluses in Great Britain and Northern Ireland totaling £91.3m and IAS 19 pension deficits in Ireland and France totaling £8.8m, resulting in a net pension surplus of £82.5m (30 September 2020: net surplus of £91.1m).

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

Contributions are paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the Schedule of Contributions. In addition to expected partnership income of at least £5m per annum, the Group was expected to make a payment of £15m by 31 December 2019. However, the Group is seeking clarity through the courts as to the construction of the wording in the Plan rules on the employer's ability to unilaterally set an alternative rate of pension increase. The original judgement in January 2020 was not in the Group's favour and it was granted leave to appeal that judgement. The appeal was heard in the Court of Appeal on 13 and 14 May 2021; the date of judgement is currently unknown.

Pending the outcome of the appeal hearing, the Trustee agreed that the Schedule of Contributions be amended to the effect that £10m be paid into a blocked account by 30 September 2020 and £5m by 2 October 2020. In addition, it was agreed that future deficit funding payments of £5m per annum would also be paid into the blocked account.

Following a £5m funding payment in December 2020, the balance on the blocked account at 31 March 2021 is £20m. Subject to the outcome of the legal appeal and actuarial certification on funding requirements, the monies in the blocked account will return to the Group and/or be paid to the pension plan as a contribution, taking into account any change in future pension increases.

The latest triennial valuation for the GB scheme as of 31 March 2019 was completed in June 2020 and has resulted in future deficit funding payments reducing from £20m to £10m per annum. The Ireland and Northern Ireland defined benefit pension plans have an investment strategy focused on managing the risks as the funding position improves. The GB pension plan mainly has credit-type investments and the Trustees have developed proposals to manage the investment risks.

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 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. During the 6 months ended 31 March 2021, the Group has recorded a charge of £0.7m as part of adjusting items for the estimated cost of GMP equalisation arising from this latest judgement.

COVID-19 update

With the impact of the global pandemic and resulting social and commercial restrictions continuing in 2021, we have developed a flexible plan based on the learnings of 2020, that will enable Britvic to respond to severe but plausible scenarios and their potential impact on revenue, profit and cash. During the period, government restrictions on trading activity in the Out-of-Home channel and on the movement of people in each of our markets had a significant impact on our business. As expected, the largest impacts have been seen in our markets with significant exposure to Out-of-Home, namely GB and Ireland; however the strong performance in At-Home has partially mitigated this. We implemented several initiatives in 2020 to mitigate the adverse impact on profit and cash, which included reduced A&P spend, variable reward and discretionary spend, as well as stopping all non-essential and non-committed capex. While we have a plan to re-invest for growth in 2021, we retain flexibility to defer spend in the event of continued reduced demand.

We have continued to model a range of possible scenarios, including a view of severe but plausible levels of COVID-19 restrictions across our markets. The assumptions modelled are based on the estimated potential impact of further COVID-19 restrictions over the course of the period to September 2022. We have tested the possibility of the debt covenants being breached at reporting points to September 2022, with March 2022 being the most sensitive test point, as some of the EBITDA scenario-modelling assumes a full twelve months of reduced trading due to the impact of restrictions and a working capital peak ahead of summer trading. Under all the scenarios modelled, and after taking mitigating actions available, our forecasts did not indicate breach at that point. This is also the case for September 2021.

The estimated impacts of COVID-19 restrictions are primarily based on the length of time various levels of restrictions are in place, and the severity of the consequential impact of those restrictions on our At-Home and Out-of-Home channels in each market. For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity in our Out-of-Home channel and a negative impact of changes in product mix, including lower on-the-go volumes, for the At-Home channel. The scenarios are most sensitive to the assumptions made for GB and Ireland, where exposure to the Out-of-Home channel is greater. France and Brazil are predominantly At-Home markets and therefore drive less sensitivity. Despite the significant impact of COVID-19 on the population, the Brazilian business has demonstrated its resilience, delivering double-digit growth in the first half and continuing to gain market share.

Under each scenario, mitigating actions are all within management control and can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand. Mitigating actions primarily include the phasing of A&P and capital spend over an extended period in the case of demand being reduced in the shorter term due to COVID-19 enforced restrictions. As part of the Going Concern assessment, COVID-19 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 we confirm that they are within management control.

As of 31 March 2021, the liquidity of the Group remains strong and the Group has available debt facilities of £959m. Both the Group's bank facility and private placement notes have a net debt/EBITDA covenant limit of 3.5x, excluding IFRS16 impact. Based on the half year adjusted net debt of £570.2m and adjusted EBITDA of £204.9m, the adjusted net debt/EBITDA ratio was 2.8x, compared to 2.4x at last year end. This ratio is subject to regular reviews against business forecasts and forms part of the Board and Executive Management reviews of budget and forecasts to ensure enough headroom is available. All scenarios modelled to September 2022 demonstrate that the covenant limits will continue to show headroom. Covenants are set at a maximum of 3.5x net debt to adjusted EBITDA and a minimum of 3.0x adjusted EBITDA to net interest expense in all our lending agreements.

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. Updates to risks and mitigation plans are made as required. In response to the ongoing COVID-19 pandemic, the risk team has continued to support each of our markets and functions to identify the actions required to ensure business continuity and the risks impacting our people.

We have re-assessed our principal risks in light of the changing context of the pandemic, and have identified that the ongoing management of the risks associated with the COVID-19 pandemic are now embedded and consolidated within existing risk management processes across Health & Safety, Business Continuity and Treasury. Furthermore, the conclusion of UK and EU negotiations on the post Brexit trade arrangements in December 2020 (and now formally concluded in April 2021), which includes agreement of zero quotas and zero tariffs between the UK and EU, has significantly reduced the risk associated with Brexit and we have seen limited impact on our business to date. As a result, the risk in relation to Brexit has now been removed from ourprincipal risks.

Finally, in October 2020 we reached agreement with PepsiCo for a new and exclusive 20 year franchise bottling agreement for the production, distribution, marketing and sales of its carbonated soft drink brands in Great Britain. The new agreement extends the relationship, which commenced in 1987, to 31 December 2040 and includes the Rockstar energy brand. As a result, the risk relating to our partner relationship with PepsiCo has reduced significantly.

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 period. Adjusted earnings is defined as the profit/(loss) attributable to ordinary equity shareholders before adjusting items. Average number of shares during the period is defined as the weighted average number of ordinary shares outstanding during the period excluding any own shares held by Britvic that are used to satisfy various employee share-based incentive programmes. The weighted average number of ordinary shares in issue for adjusted earnings per share for the period was 266.7m (31 March 2020: 265.3m).

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

Adjusted 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.

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.

CHP is the Combined Heat and Power plant located at the Rugby site and used to generate power.

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

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

EPS is Earnings Per Share.

Free cash flow is defined as cash generated from operating activities, less capital expenditure, interest and repayment of lease liabilities.

GB is Great Britain

GMP is Guaranteed Minimum Pension.

Group is Britvic plc, together with its subsidiaries

Innovation is defined as new launches over the last three 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.

PPE is property, plant and equipment.

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
CONDENSED INTERIM FINANCIAL STATEMENTS
For the 6 months ended 31 March 2021

Company number: 5604923

RESPONSIBILITY AND CAUTIONARY STATEMENTS

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 IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

CAUTIONARY STATEMENT

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

This report is intended to inform the shareholders of the Group's performance during the 6 months to 31 March 2021. This report contains forward-looking statements based on knowledge and information available to the directors at the date the report was prepared. These statements should be treated with caution due to the inherent uncertainties underlying any such forward-looking information, including as a consequence of the COVID-19 pandemic, and any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

DIRECTORS

The directors of Britvic plc are:

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

By order of the board

Simon Litherland
Chief Executive Officer
Date: 17 May 2021

Joanne Wilson
Chief Financial Officer
Date: 17 May 2021

INDEPENDENT REVIEW REPORT TO BRITVIC PLC

Introduction

We have been engaged by Britvic plc (the 'Company') to review the condensed set of financial statements in the interim financial report for the 6 months ended 31 March 2021 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 22. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' Responsibilities

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

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

Our Responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the 6 months ended 31 March 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
Leeds
17 May 2021

BRITVIC PLC

CONDENSED CONSOLIDATED INCOME STATEMENT
For the 6 months ended 31 March 2021

	Note	6 months ended 31 March 2021 (unaudited) £m	*(Restated) 6 months ended 31 March 2020 (unaudited) £m	12 months ended 30 September 2020 (audited) £m
Revenue	6	617.1	698.8	1,412.4
Cost of sales		(371.6)	(418.7)	(851.6)
Gross profit		**245.5**	**280.1**	**560.8**
Selling and distribution costs		(106.1)	(117.4)	(229.0)
Administration expenses		(87.1)	(99.9)	(201.1)
Assets held for sale – impairment charge		-	-	(0.4)
Operating profit		**52.3**	**62.8**	**130.3**
Finance income		0.6	1.7	2.4
Finance costs		(10.2)	(10.9)	(21.5)
Profit before tax		**42.7**	**53.6**	**111.2**
Taxation	7	(9.5)	(14.7)	(16.6)
Profit for the period attributable to the equity shareholders		**33.2**	**38.9**	**94.6**
Earnings per share				
Basic earnings per share	8	12.4p	14.7p	35.6p
Diluted earnings per share	8	12.4p	14.6p	35.4p

All activities relate to continuing operations.

* Please refer to note 4 for details of reclassification restatement.

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(EXPENSE)
For the 6 months ended 31 March 2021

	Note	6 months ended 31 March 2021 (unaudited) £m	6 months ended 31 March 2020 (unaudited) £m	12 months ended 30 September 2020 (audited) £m
Profit for the period attributable to the equity shareholders		**33.2**	**38.9**	**94.6**
Other comprehensive (expense)/income:				
Items that will not be reclassified to profit or loss				
Remeasurement (losses)/gains on defined benefit pension schemes	16	(14.2)	79.2	(43.3)
Deferred tax on defined benefit pension schemes		2.8	(16.5)	6.4
Deferred tax on other temporary differences		(0.1)	(0.1)	(0.1)
		(11.5)	62.6	(37.0)
Items that may be subsequently reclassified to profit or loss				
Losses in the period in respect of cash flow hedges	14	(10.0)	(5.6)	(4.9)
Amounts recycled to the income statement in respect of cash flow hedges	14	7.2	5.2	6.6
Deferred tax in respect of cash flow hedges accounted for in the hedging reserve		0.6	0.1	(0.2)
Exchange differences reclassified to profit or loss on disposal of foreign operations		-	-	(2.3)
Exchange differences on translation of foreign operations	14	(16.8)	(22.0)	(38.2)
Tax on exchange differences accounted for in the translation reserve		(1.7)	(0.5)	(0.6)
		(20.7)	(22.8)	(39.6)
Other comprehensive (expense)/income for the period, net of tax		(32.2)	39.8	(76.6)
Total comprehensive income for the period attributable to the equity shareholders		**1.0**	**78.7**	**18.0**

BRITVIC PLC

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2021

	Note	31 March 2021 (unaudited) £m	31 March 2020 (unaudited) £m	30 September 2020 (audited) £m
Assets				
Non-current assets				
Property, plant and equipment	9	454.2	499.1	462.7
Right-of-use assets	10	74.2	87.2	78.1
Intangible assets	9	390.6	399.6	409.4
Other receivables		6.0	10.0	6.0
Derivative financial instruments	14	16.1	31.2	25.2
Deferred tax assets		3.6	4.3	4.8
Pension assets	16	91.3	217.0	101.8
		1,036.0	**1,248.4**	**1,088.0**
Current assets				
Inventories		134.4	132.3	118.5
Trade and other receivables		292.6	329.6	335.5
Current income tax receivables		8.0	12.2	13.1
Derivative financial instruments	14	1.9	14.5	12.1
Cash and cash equivalents		40.9	47.6	109.2
Other current assets		20.0	-	10.0
		497.8	**536.2**	**598.4**
Assets held for sale	20	16.8	42.0	20.3
Total assets		**1,550.6**	**1,826.6**	**1,706.7**
Current liabilities				
Trade and other payables		(335.4)	(319.4)	(358.8)
Commercial rebate liabilities		(80.0)	(82.1)	(107.3)
Lease liabilities	10	(8.6)	(14.9)	(9.6)
Interest-bearing loans and borrowings	11	(55.1)	(315.4)	(78.7)
Derivative financial instruments	14	(2.3)	(6.8)	(2.2)
Current income tax payables		(1.5)	(4.4)	(2.4)
Provisions	17	(10.4)	(1.4)	(13.6)
Other current liabilities		(12.0)	(3.8)	(10.2)
		(505.3)	**(748.2)**	**(582.8)**
Liabilities associated with assets held for sale		-	(28.3)	(0.1)
		(505.3)	**(776.5)**	**(582.9)**
Non-current liabilities				
Interest-bearing loans and borrowings	11	(573.1)	(438.9)	(586.0)
Lease liabilities	10	(67.6)	(72.9)	(70.2)
Deferred tax liabilities		(67.5)	(95.1)	(69.4)
Pension liabilities	16	(8.8)	(4.4)	(10.7)
Derivative financial instruments	14	(1.0)	(2.0)	(3.3)
Provisions	17	(0.6)	(1.8)	(1.1)
Other non-current liabilities		(5.6)	(2.2)	(7.6)
		(724.2)	**(617.3)**	**(748.3)**
Total liabilities		**(1,229.5)**	**(1,393.8)**	**(1,331.2)**
Net assets		**321.1**	**432.8**	**375.5**
Capital and reserves				
Issued share capital	12	53.4	53.4	53.4
Share premium account		155.0	153.1	154.1
Own shares reserve		(2.6)	(4.9)	(3.7)
Other reserves	19	39.1	76.6	59.8
Retained earnings		76.2	154.6	111.9
Total equity		**321.1**	**432.8**	**375.5**

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 months ended 31 March 2021

	Note	6 months ended 31 March 2021 (unaudited) £m	6 months ended 31 March 2020 (unaudited) £m	12 months ended 30 September 2020 (audited) £m
Cash flows from operating activities				
Profit before tax		42.7	53.6	111.2
Net finance costs		9.6	9.2	19.1
Other financial instruments		-	-	(0.2)
Net impairment/(reversal of impairment) of property, plant and equipment		-	(0.6)	(0.7)
Impairment of right-of-use assets		-	-	0.2
Impairment of assets held for sale		-	-	0.4
Impairment of intangible assets		-	8.1	8.1
Depreciation of property, plant and equipment		22.2	21.1	43.0
Depreciation of right-of-use assets		5.4	6.0	11.0
Loss on disposal of property, plant and equipment and intangible assets		1.3	0.4	4.3
Amortisation		6.9	8.1	15.9
Share-based payments charge/(credit) net of cash settlements		1.9	(1.6)	0.1
Net pension charge less contributions		(5.0)	(5.7)	(6.9)
Foreign exchange losses/(gains)		0.9	-	(2.9)
Other non-cash items		(0.3)	-	0.9
(Increase)/decrease in inventory		(17.5)	0.1	11.9
Decrease in trade and other receivables		34.6	14.7	22.4
Increase in other current assets		(10.0)	-	(10.0)
Decrease in trade and other payables and contract liabilities		(43.5)	(105.8)	(45.3)
(Decrease)/increase in provisions		(3.0)	(3.6)	8.0
Income tax paid		(3.8)	(12.1)	(21.7)
Net cash flows from operating activities		**42.4**	**(8.1)**	**168.8**
Cash flows from investing activities				
Purchases of property, plant and equipment		(19.4)	(23.5)	(43.7)
Purchases of intangible assets		(6.9)	(2.3)	(6.3)
Interest received		0.5	1.5	0.7
Divestment of subsidiary		-	-	13.2
Acquisition of subsidiaries, net of cash acquired		-	-	(2.2)
Unhedged forward currency contracts		-	1.8	-
Net cash flows used in investing activities		**(25.8)**	**(22.5)**	**(38.3)**
Cash flows from financing activities				
Interest paid, net of derivative financial instruments		(8.1)	(11.1)	(16.5)
Net movement on revolving credit facility	11	53.0	173.0	(64.9)
Other loans repaid	11	-	-	(0.1)
Payment of principal portion of lease payments		(5.1)	(5.9)	(10.2)
Payment of interest portion of lease payments		(1.0)	(0.9)	(2.1)
Repayment of 2009 private placement notes		-	(67.8)	(68.4)
Partial repayment of 2010 private placement notes	11	(45.4)	-	-
Partial repayment of 2014 private placement notes	11	(20.0)	-	-
Draw down of 2020 private placement notes	11	-	-	152.2
Other derivative cash receipts/(payments)		1.1	-	(2.5)
Issue costs paid	11	(0.3)	(2.1)	(2.6)
Issue of shares relating to incentive schemes for employees		0.9	5.7	6.7
Purchase of own shares		-	(2.8)	(2.8)
Dividends paid to equity shareholders	13	(57.5)	(57.6)	(57.6)
Net cash flows from financing activities		**(82.4)**	**30.5**	**(68.8)**
Net (decrease)/increase in cash and cash equivalents		**(65.8)**	**(0.1)**	**61.7**
Cash and cash equivalents at beginning of period		109.2	49.0	49.0
Exchange rate differences		(2.5)	(1.3)	(1.5)
Cash and cash equivalents at the end of the period		**40.9**	**47.6**	**109.2**
By balance sheet category:				
Cash and cash equivalents		**40.9**	**47.6**	**109.2**

BRITVIC PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 31 March 2021

				Other reserves				
	Issued share capital	Share premium account	Own shares reserve	Hedging reserve	Translation reserve	Merger reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 30 September 2020 (audited)	**53.4**	**154.1**	**(3.7)**	**0.3**	**(27.8)**	**87.3**	**111.9**	**375.5**
Profit for the period	-	-	-	-	-	-	33.2	33.2
Other comprehensive expense	-	-	-	(2.2)	(18.5)	-	(11.5)	(32.2)
Total comprehensive (expense)/income	-	-	-	(2.2)	(18.5)	-	21.7	1.0
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 (unaudited)	**53.4**	**155.0**	**(2.6)**	**(1.9)**	**(46.3)**	**87.3**	**76.2**	**321.1**

				Other reserves				
	Issued share capital	Share premium account	Own shares reserve	Hedging reserve	Translation reserve	Merger reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m	£m
At 29 September 2019 (audited)	**53.1**	**145.5**	**(10.3)**	**(1.2)**	**13.3**	**87.3**	**127.7**	**415.4**
Profit for the period	-	-	-	-	-	-	38.9	38.9
Other comprehensive (expense)/income	-	-	-	(0.3)	(22.5)	-	62.6	39.8
Total comprehensive (expense)/income	-	-	-	(0.3)	(22.5)	-	101.5	78.7
Issue of shares	0.3	7.6	(2.9)	-	-	-	-	5.0
Own shares purchased for share schemes	-	-	(2.8)	-	-	-	-	(2.8)
Own shares utilised for share schemes	-	-	11.1	-	-	-	(15.6)	(4.5)
Movement in share-based schemes	-	-	-	-	-	-	(0.6)	(0.6)
Current tax on share-based payments	-	-	-	-	-	-	1.4	1.4
Deferred tax on share-based payments	-	-	-	-	-	-	(2.2)	(2.2)
Payment of dividend	-	-	-	-	-	-	(57.6)	(57.6)
At 31 March 2020 (unaudited)	**53.4**	**153.1**	**(4.9)**	**(1.5)**	**(9.2)**	**87.3**	**154.6**	**432.8**

BRITVIC PLC

NOTES TO THE FINANCIAL INFORMATION
For the 6 months ended 31 March 2021

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 2020, which were prepared under International Financial Reporting Standards (IFRS) as adopted by the European Union, have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unqualified, 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 17 May 2021.

2. Basis of preparation

These interim condensed financial statements comprise the condensed consolidated balance sheet as at 31 March 2021 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 22 for the 6 months then ended of Britvic plc ('financial information'). This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with the International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

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 of severe but plausible levels of COVID-19 restrictions across our markets, have been reviewed. The assumptions modelled are based on the estimated potential impact of further COVID-19 restrictions over the course of the period to September 2022.

In particular, we have tested the possibility of debt covenants being breached at reporting points to September 2022 with March 2022 being the most sensitive test point as some of the EBITDA scenario modelling assumes a full 12 months of reduced trading due to the impact of restrictions and a working capital peak ahead of summer trading. Under all the scenarios modelled, and after taking mitigating actions available, our forecasts did not indicate breach at that point. This is also the case for September 2021.

The estimated impacts of COVID-19 restrictions are primarily based on the length of time various levels of restrictions are in place, and the severity of the consequent impact of those restrictions on our At-Home and Out-of-Home channels in each market.

For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity in our Out-of-Home channel and a negative impact of changes in product mix, including lower on-the-go volumes, for the At-Home channel. The scenarios are most sensitive to the assumptions made for GB and Ireland where exposure to the Out-of-Home channel is greater. France and Brazil are predominantly At-Home markets and therefore drive less sensitivity. Despite the significant impact of COVID-19 on the population, the Brazilian business has demonstrated its resilience delivering double-digit growth in the first half and continuing to gain market share.

A key judgement applied is the likely time period of restrictions on trading activity in the Out-of-Home channel, and the possibility that restrictions will persist throughout 2021 with the potential for a return to a form of lockdown during the winter period. The most severe scenario includes an assumption that a level of restrictions will remain in place until September 2022.

Under each scenario, mitigating actions are all within management control and can be initiated as they relate to discretionary spend, and do not impact the ability to meet demand. Mitigating actions primarily include the phasing of A&P and capital spend over an extended period in the case of demand being reduced in the shorter term due to COVID-19 enforced restrictions.

As part of the going concern assessment, COVID-19 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.

As of 31 March 2021, the consolidated balance sheet reflects a net asset position of £321.1m and the liquidity of the Group remains strong. In H1 of 2021, the Group successfully secured a one-year extension of its £400m revolving credit facility with 6 of the 7 participating banks. As a result of this, £367m of this facility now matures in February 2026, with £33m maturing in February 2025. A number of private placement notes totalling £65.4m equivalent matured in H1 2021 and were refinanced with drawings under the £400m credit facility. As a result of these maturities, the Group's available debt facilities reduced to £959m at 31 March 2021. The Group's next debt maturity is in 2022 when £23m equivalent of private placement notes mature. At 31 March 2021, the Group had £53m drawn under its credit facility with committed headroom of £347m.

Both the Group's bank 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 £570.2m and adjusted EBITDA of £204.9m, the net debt/EBITDA ratio was 2.8x, compared to 2.4x at 30 September 2020. This ratio is subject to regular reviews against business forecasts and forms part of the Board and Executive Management reviews of budget and forecasts to ensure sufficient headroom is available. All scenarios modelled to September 2022 demonstrate that the covenants limits will continue to have headroom.

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 2020.

IFRS 9 hedge accounting

The Group previously adopted IFRS 9 'Financial Instruments' during the period ended 29 September 2019. On initial application, the Group elected to continue applying the hedge accounting requirements of IAS 39 instead of the requirements of IFRS 9. With effect from 1 October 2020, the Group has adopted the hedge accounting requirements of IFRS 9 and applied them prospectively.

All of the Group's existing hedging relationships under IAS 39 were eligible to be treated as continuing hedging relationships under IFRS 9 and there was no impact of this change in policy on the Group's balance sheet at 1 October 2020.

When measuring hedge ineffectiveness in cash flow and net investment hedges, the Group uses a hypothetical derivative with terms that match the critical terms of the hedged item to calculate the change in value of the hedged item. IFRS 9 has clarified that currency basis is present in the valuation of certain derivatives (for example, cross-currency interest rate swaps) but is not present in the hedged item and therefore should not be included in the valuation of the hypothetical derivative. The Group did not previously exclude currency basis from the valuation of hypothetical derivatives when measuring ineffectiveness under IAS 39. Under IFRS 9, the exclusion of currency basis from the hypothetical derivative may result in more ineffectiveness in the hedge relationship and future volatility in the income statement. For derivatives outstanding at 31 March 2021, no ineffectiveness was recognised in the income statement. On future derivatives, the Group may elect to exclude currency basis from hedge relationships and account for this as cost of hedging.

IFRS 9 has also widened the range of eligible hedged items for hedge accounting. IAS 39 precluded the designation of any risk components in non-financial items, other than foreign currency risk. Since 1 October 2020, the Group has entered into aluminium swaps and designated them as a hedge of the aluminium component of the purchase of cans.

Other policy changes

Several amendments and interpretations apply for the first time from 1 October 2020, none of which have had a material impact on the interim condensed consolidated financial statements of the Group:

- Amendments to IFRS 3: Definition of a Business;
- Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform;
- Amendments to IAS 1 and IAS 8: Definition of Material; and
- Conceptual Framework for Financial Reporting issued on 29 March 2018.

Restatement of expenses in the income statement

In line with the presentation in the Group's Annual Report and Accounts 2020, the Group has reclassified certain expenses between selling and distribution costs and cost of sales to provide a more accurate split of costs in line with income statement categories.

The costs reclassified were more aligned to cost of sales in nature, for example, marginal production costs, certain employee costs and utility costs.

	As reported 6 months ended 31 March 2020 £m	Reclassification £m	Restated 6 months ended 31 March 2020 £m
Revenue	698.8	-	698.8
Cost of sales	(341.4)	(77.3)	(418.7)
Gross profit	**357.4**	**(77.3)**	**280.1**
Selling and distribution costs	(194.7)	77.3	(117.4)
Administration expenses	(99.9)	-	(99.9)
Operating profit	**62.8**	**-**	**62.8**

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

* The GB Carbs and GB Stills segments presented separately for the 6 months ended 31 March 2020 have been aggregated and are presented as 'GB – United Kingdom excluding Northern Ireland' following a review of operating segments at 30 September 2020.

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

The Rest of World (RoW) subtotal includes the Ireland, France and International reportable segments and is disclosed to provide linkage to the Chief Financial Officers Review section of the interim results. The below comparative disclosure for the 6 months ended 31 March 2020 has been represented to reflect the GB and RoW subtotals.

			Rest of World (RoW)				
6 months ended 31 March 2021	**GB £m**	**Brazil £m**	**Ireland £m**	**France £m**	**International £m**	**Total RoW £m**	**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***							(8.0)
Profit before tax							**42.7**

	GB				Rest of World (RoW)				
6 months ended 31 March 2020	**GB Stills £m**	**GB Carbs £m**	**Total GB £m**	**Brazil £m**	**Ireland £m**	**France £m**	**International £m**	**Total RoW £m**	**Total £m**
Revenue from external customers	124.2	309.8	**434.0**	**66.1**	79.3	99.9	19.5	**198.7**	**698.8**
Brand contribution	58.5	109.8	**168.3**	**16.1**	23.1	33.9	5.0	**62.0**	**246.4**
Non-brand advertising & promotion*									(6.0)
Fixed supply chain**									(61.1)
Selling costs**									(40.3)
Overheads and other costs*									(63.3)
Adjusted EBIT									**75.7**
Net finance costs pre-adjusting items									(9.2)
Adjusting items***									(12.9)
Profit before tax									**53.6**

12 months ended 30 September 2020	GB £m	Brazil £m	Rest of World (RoW) Ireland £m	France £m	International £m	Total RoW £m	Total £m
Revenue from external customers	884.9	113.1	146.6	228.3	39.5	**414.4**	**1,412.4**
Brand contribution	351.0	24.6	46.4	76.5	6.7	**129.6**	**505.2**
Non-brand advertising & promotion*							(10.2)
Fixed supply chain**							(131.8)
Selling costs**							(77.4)
Overheads and other costs*							(120.0)
Adjusted EBIT							**165.8**
Net finance costs pre-adjusting items							(18.9)
Adjusting items***							(35.7)
Profit before tax							**111.2**

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

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

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

7. Taxation

The total tax charge for the period is £9.5m (6 months ended 31 March 2020: £14.7m) which equates to an effective tax rate of 22.2% (6 months ended 31 March 2020: 27.4%).

Tax charge by region

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
UK	7.7	12.5	24.3
Foreign	1.8	2.2	(7.7)
Total tax charge in the condensed consolidated income statement	**9.5**	**14.7**	**16.6**

Analysis of tax charge

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Current income tax charge	6.3	7.7	15.5
Deferred income tax charge	3.2	7.0	1.1
Total tax charge in the condensed consolidated income statement	**9.5**	**14.7**	**16.6**

The effective tax rate for the 6 months ended 31 March 2021 has decreased compared to the effective tax rate for the 6 months ended 31 March 2020. This is as a result of the inclusion in the prior year of a one-off increase in the deferred tax charge following the UK government announcement in March 2020 that tax rates would remain at 19%.

The UK Budget announcements in March 2021 included an increase to the UK's main corporation tax rate to 25%, due to be effective from 1 April 2023. The rate change was not substantively enacted at the interim balance sheet date so has not been included in the interim results but will impact the Group's full year tax charge. The Group has estimated that if the UK deferred tax balances as at 31 March 2021 that are expected to unwind at 25% were remeasured at 25%, this would result in an increase in the net deferred tax liability of £12.5m.

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 2021	6 months ended 31 March 2020	12 months ended 30 September 2020
Basic earnings per share			
Profit for the period attributable to the equity shareholders (£m)	33.2	38.9	94.6
Weighted average number of ordinary shares in issue for basic earnings per share	266.7	265.3	265.9
Basic earnings per share (pence)	**12.4p**	**14.7p**	**35.6p**
Diluted earnings per share			
Profit for the period attributable to the equity shareholders (£m)	33.2	38.9	94.6
Effect of dilutive potential ordinary shares – share schemes	0.7	1.3	1.3
Weighted average number of ordinary shares in issue for diluted earnings per share	267.4	266.6	267.2
Diluted earnings per share (pence)	**12.4p**	**14.6p**	**35.4p**

9. Property, plant and equipment and intangible assets

Property, plant and equipment

During the 6 months ended 31 March 2021 the Group:

- purchased property, plant and equipment at a cost of £19.8m (6 months ended 31 March 2020: £24.2m); and
- disposed of property, plant and equipment with a net book value of £1.3m (6 months ended 31 March 2020: £0.4m) resulting in a loss on disposal of £1.3m (6 months ended 31 March 2020: loss on disposal £0.4m).

There were no impairments or reversals of impairments recognised during the 6 months ended 31 March 2021, compared to a £1.0m reversal of impairment in the 6 months ended 31 March 2020 arising on Norwich land and buildings.

See note 18 for details of the Group's capital commitments as at 31 March 2021.

Intangible assets

During the 6 months ended 31 March 2021, the Group purchased £7.0m of software (6 months ended 31 March 2020: £2.3m).

During the 6 months ended 31 March 2020, an impairment charge of £8.5m was recorded to write off intangible assets, goodwill and property, plant and equipment relating to the Counterpoint business, which was previously part of the Irish cash generating unit. During that period there was a reallocation of Britvic Ireland goodwill, with the portion allocated to Counterpoint impaired during the year. Management specifically assessed the carrying value of these assets due to the performance of this business.

The Group performed its last annual impairment test for goodwill and intangible assets with indefinite lives in September 2020. 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 2020.

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 2021 and latest forecasts for the full year ended 30 September 2021 against the budgets used in the last impairment test. Changes in the applicable discount rates to determine value-in-use were also considered.

Performance in Ireland was particularly challenging, where longer than anticipated lockdown restrictions have heavily impacted the pub sector and limitations on local movement have resulted in lower on-the-go sales. As a result, management performed an impairment test at 31 March 2021 for the trademarks of Cidona, Ballygowan and Britvic stills and mixers.

Britvic Brazil delivered strong revenue growth during the period but due to the limited headroom in the last impairment test and an increase in the discount rate, an impairment test was also performed for this cash generating unit.

No impairment charges have been recognised during the 6 months ended 31 March 2021. Other than the goodwill held in Britvic Brazil and the Britvic stills and mixers trademark in Ireland, the directors do not consider that a reasonable possible change in the assumptions used to calculate recoverable amounts could result in any impairment.

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 headroom of £6.1m. A 0.9% increase in discount rate or a reduction of the long-term growth rate of 1.3% would result in an impairment of £0.1m.

The Britvic brands trademark in Ireland is particularly exposed to the on-trade channel and the impact of COVID-19 restrictions. Sensitivity analysis was performed to assess the impact of a reasonable change in key assumptions to the headroom of £0.4m. A 0.5% increase in discount rate or a reduction of the long-term growth rate of 0.6% would result in an impairment of £0.1m.

10. Right-of-use assets and lease liabilities

Right-of-use assets

At the 31 March 2021, the net book value of right-of-use assets was £74.2m (30 September 2020: £78.1m). During the 6 months ended 31 March 2021, the Group recognised leased asset additions of £1.5m (6 months ended 31 March 2020: £44.9m) and depreciation of £5.4m (6 months ended 31 March 2020: £6.0m). Additions in the prior period were higher due to the CHP plant at Rugby being brought into use on 1 December 2019 at a value of £42.4m.

Lease liabilities

Lease liabilities as at 31 March 2021 total £76.2m (30 September 2020: £79.8m), with £8.6m classified as current (30 September 2020: £9.6m) and £67.6m classified as non-current (30 September 2020: £70.2m) in the consolidated balance sheet. During the 6 months ended 31 March 2021, the reduction in lease liabilities mainly comprised principal and interest repayments of £6.1m (6 months ended 31 March 2020: £6.8m) offset by additions of £1.5m (6 months ended 31 March 2020: £44.9m), an interest charge of £0.9m (6 months ended 31 March 2020: £0.8m) and exchange loss of £0.1m (6 months ended 31 March 2020: £0.3m exchange gain).

11. Interest-bearing loans and borrowings

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

	31 March 2021 £m	31 March 2020 £m	30 September 2020 £m
2010 Notes	(32.9)	(94.0)	(90.5)
2014 Notes	(97.7)	(126.6)	(123.3)
2017 Notes	(175.0)	(175.0)	(175.0)
2018 Notes	(119.0)	(120.9)	(121.3)
2020 Notes	(151.1)	-	(154.3)
Accrued interest	(2.7)	(2.8)	(3.4)
Bank loans***	(53.0)	(238.0)	(0.1)
Capitalised issue costs	3.2	3.0	3.2
Total interest-bearing loans and borrowings	**(628.2)**	**(754.3)**	**(664.7)**
Current	(55.1)	(315.4)	(78.7)
Non-current	(573.1)	(438.9)	(586.0)
Total interest-bearing loans and borrowings	**(628.2)**	**(754.3)**	**(664.7)**

Analysis of changes in interest-bearing loans and borrowings:

	6 months ended 31 March 2021 £m	Restated(1) 6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
At the beginning of the period	**(664.7)**	**(683.5)**	**(683.5)**
Net movement on revolving credit facility	(53.0)	(173.1)	64.9
Other loans repaid	-	-	0.1
Partial repayment of private placement notes****	74.1	90.3	90.3
Draw down of 2020 private placement notes	-	-	(152.2)
Issue costs	0.3	2.1	2.6
Reclassification of finance leases*	-	0.9	1.0
Amortisation of issue costs and write-off of financing fees	(0.3)	(0.8)	(1.1)
Net translation gain and fair value adjustment	14.7	9.9	13.9
Accrued interest	0.7	(0.1)	(0.7)
At the end of the period	**(628.2)**	**(754.3)**	**(664.7)**
Derivatives hedging balance sheet debt**	17.1	42.2	35.1
Debt translated at contracted rate	**(611.1)**	**(712.1)**	**(629.6)**

(1) The Group has restated the analysis of changes in interest-bearing loans and borrowings for the 6 months ended 31 March 2020 to correct for a misclassification related to the settlement of the 2009 Notes. Partial repayment of private placement notes increased from £67.8m to £90.3m and net translation gain and fair value adjustment decreased from £32.4m to £9.9m. There was no impact of this restatement on the income statement, balance sheet or statement of cash flows.

* On 30 September 2019 the Group adopted IFRS 16 leases. Liabilities related to finance leases were reclassified from interest-bearing loans and borrowings to a new balance sheet caption for leases liabilities.

** 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.

*** Bank loans were borrowed from a £400m five-year revolving credit facility where interest is payable based on LIBOR plus a margin determined by covenant ratios. Loans drawn under the facility are all repayable within twelve months or less but may be repaid and redrawn until the maturity of the facility. The amounts and rates at which future borrowings are drawn down will vary according to business requirements.

**** During the 6 months ended 31 March 2021, the Group repaid £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 £45.4m and £20.0m for the 2010 Notes and 2014 Notes, respectively.

12. 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 29 September 2019	**265,510,737**	**53,102,147**
Shares issued	1,405,325	281,065
At 30 September 2020	**266,916,062**	**53,383,212**
Shares issued	159,534	31,907
At 31 March 2021	**267,075,596**	**53,415,119**

Of the issued and fully paid ordinary shares, 258,472 shares (30 September 2020: 369,448 shares) are own shares held by an employee benefit trust. This equates to £51,694 (30 September 2020: £73,890) at £0.20 par value of each ordinary share. These shares are held for the purpose of satisfying the Group’s share schemes.

13. Dividends paid and proposed

	6 months ended 31 March 2021	6 months ended 31 March 2020	12 months ended 30 September 2020
Declared and paid in the period			
Dividends per share (pence)	21.6	21.7	21.7
Total dividend (£m)	**57.5**	**57.6**	**57.6**
Proposed after the balance sheet date			
Dividend per share (pence)	6.5	-	21.6
Total dividend (£m)	**17.4**	**-**	**57.7**

14. Derivatives and hedge relationships

The Group's outstanding derivatives were as follows:

	31 March 2021 £m	31 March 2020 £m	30 September 2020 £m
Consolidated balance sheet			
Non-current assets: derivative financial instruments			
Fair value of USD GBP cross-currency fixed interest rate swaps [1]	14.3	27.2	22.3
Fair value of USD GBP cross-currency floating interest rate swaps [3]	1.8	3.5	2.9
Fair value of forward currency contracts [1]	-	0.4	-
Fair value of euro interest rate swaps [1]	-	0.1	-
	16.1	**31.2**	**25.2**
Current assets: derivative financial instruments			
Fair value of USD GBP cross-currency fixed interest rate swaps [1]	0.6	6.1	5.1
Fair value of USD GBP cross-currency floating interest rate swaps [3]	0.3	6.5	5.2
Fair value of forward currency contracts [1]	-	1.4	1.4
Fair value of forward currency contracts [2]	0.4	-	0.2
Fair value of forward currency contracts [4]	-	-	0.2
Fair value of aluminium swaps [1]	0.6	-	-
Fair value of foreign exchange swaps [4]	-	0.5	-
	1.9	**14.5**	**12.1**
Current liabilities: derivative financial instruments			
Fair value of forward currency contracts [1]	(2.2)	(3.5)	(0.2)
Fair value of forward currency contracts [4]	(0.1)	(1.4)	(0.6)
Fair value of GBP euro cross-currency floating interest rate swaps [2]	-	(1.0)	(1.4)
Fair value of sugar forwards [1]	-	(0.9)	-
	(2.3)	**(6.8)**	**(2.2)**
Non-current liabilities: derivative financial instruments			
Fair value of GBP euro cross-currency fixed interest rate swaps [2]	(0.5)	(1.4)	(1.7)
Fair value of forward currency contracts [1]	(0.3)	-	(0.1)
Fair value of euro interest rate swaps [1]	-	-	(0.1)
Fair value of GBP interest rate swaps [1]	(0.2)	-	(1.4)
Fair value of GBP cross-currency floating interest rate swaps [1]	-	(0.6)	-
	(1.0)	**(2.0)**	**(3.3)**
Total net derivative financial assets	**14.7**	**36.9**	**31.8**

[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

Changes to derivative contracts

During the 6 months ended 31 March 2021:

- USD GBP cross-currency interest rate swaps with a nominal amount of $70.0m reached maturity, resulting in a net cash inflow of £7.1m. These derivatives were designated as cash flow and fair value hedges of the 2010 notes.
- GBP EUR cross-currency interest rate swaps with a nominal amount of €17.9m reached maturity, resulting in a net cash outflow of £1.1m. These derivatives were designated as a net investment hedge of assets in Ireland and France.
- The Group entered into a GBP EUR foreign exchange swap with a nominal amount of €17.9m and designated this as a net investment hedge of assets in Ireland and France.
- The Group entered into aluminium swaps and designated them as a cash flow hedge of the aluminium component of the purchase price of cans.

During the 6 months ended 31 March 2020:

- USD GBP cross-currency interest rate swaps with a nominal amount of $120.0m reached maturity, resulting in a net cash inflow of £20.9m. These derivatives were designated as a fair value hedge of the 2009 notes.
- GBP EUR cross-currency interest rate swaps with a nominal amount of €80.3m reached maturity, resulting in a net cash inflow of £3.5m. These derivatives were designated as a net investment hedge of assets in Ireland and France.
- The Group entered into a GBP EUR foreign exchange swap with a nominal amount of €80.3m and designated this as a net investment hedge of assets in Ireland and France.

The derivatives and the hedge relationships are described in further detail on pages 164 to 166 of the Group's Annual Report and Accounts 2020.

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

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Consolidated statement of comprehensive income/(expense)			
Amounts recycled to the income statement in respect of cash flow hedges			
Commodity swaps[1]	(0.1)	-	-
Forward currency contracts[2]	-	3.7	(0.2)
Interest rate swaps[3]	(0.2)	-	-
Cross-currency interest rate swaps[2]	7.5	1.5	6.8
	7.2	**5.2**	**6.6**
Gains/(losses) in the period in respect of cash flow hedges			
Commodity swaps	0.8	-	-
Forward currency contracts	(3.9)	(8.2)	(1.6)
Interest rate swaps	1.6	-	-
Cross-currency interest rate swaps	(8.5)	2.6	(3.3)
	(10.0)	**(5.6)**	**(4.9)**
Exchange differences on translation of foreign operations			
Movement on financial items designated as a net investment hedge	3.6	5.2	(0.4)
Exchange movements on translation of foreign operations[4]	(20.4)	(27.2)	(37.8)
	(16.8)	**(22.0)**	**(38.2)**

[1] Recycled amounts recorded within cost of sales

[2] Recycled amounts recorded within administration expenses

[3] Recycled amounts recorded within finance costs

[4] The primary reason for the exchange loss during the 6 months ended 31 March 2021 is the strengthening of sterling against the euro

15. 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 forwards. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. In assessing the fair value of derivatives, the non-performance risk of both 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 2021, 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 £415.6m and a fair value of £426.3m at 31 March 2021 (30 September 2020: £500.8m book value compared to a fair value £529.0m).

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 2021 was assessed to be insignificant.

16. Pensions

At 31 March 2021, Britvic plc had IAS 19 pension surpluses in GB and NI totalling £91.3m and IAS 19 pension deficits in ROI and France totalling £8.8m (30 September 2020: pension surpluses of £101.8m and pension deficits of £10.7m). The decrease in the net pension asset is primarily attributable to a net remeasurement loss of £14.2m, of which £16.6m relates to the GB scheme, offset by net gains in ROI, NI and France.

The net expense for defined benefit schemes recognised in the income statement for the 6 months ended 31 March 2021 was £0.5m (6 months ended 31 March 2020: net income of £0.2m). This includes past service costs of £0.7m related to GMP equalisation for the GB scheme (see below).

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

Contributions are paid into the defined benefit section of the GB plan as determined by the Trustee, agreed by the Company and certified by an independent actuary in the Schedule of Contributions. In addition to expected partnership income of at least £5m per annum, the Group was expected to make a payment of £15m by 31 December 2019. However, the Group is seeking clarity through the courts as to the construction of the wording in the Plan rules on the employer's ability to unilaterally set an alternative rate of pension increase. The original judgement in January 2020 was not in the Group's favour and it was granted leave to appeal that judgement. The appeal was heard in the Court of Appeal on 13 and 14 May 2021; the date of judgement is currently unknown.

Pending the outcome of the appeal hearing, the Trustee agreed that the Schedule of Contributions be amended to the effect that £10m be paid into a blocked account by 30 September 2020 and £5m by 2 October 2020. It was also agreed that future deficit funding payments of £5m per annum would also be paid into the blocked account.

Following a £5m funding payment in December 2020, the balance on the blocked account at 31 March 2021 is £20m, presented within other current assets in the consolidated balance sheet. Subject to the outcome of the legal appeal and actuarial certification on funding requirements, the monies in the blocked account will return to the Group and/or be paid to the pension plan as a contribution, taking into account any change in future pension increases.

The latest triennial valuation as of 31 March 2019 for the GB scheme was completed in June 2020 and has resulted in future deficit funding payments reducing from £20m to £10m per annum.

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

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. During the 6 months ended 31 March 2021, the Group has recorded a charge of £0.7m as part of adjusting items for the estimated cost of GMP equalisation arising from this latest judgement.

17. Provisions

The movement in the Group's provisions was as follows:

	Restructuring £m	Other £m	Total £m
At 30 September 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**
Current	8.0	2.4	10.4
Non-current	-	0.6	0.6
At 31 March 2021	**8.0**	**3.0**	**11.0**

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

Restructuring provisions at 31 March 2021 primarily relate to contract termination costs, consultation fees and employee termination benefits recognised by the Group following the announcement of the closure of the Counterpoint business and the implementation during the prior year of a Group wide strategic restructure. These costs also include provisions related to the closure of the Group's Norwich site.

Other provisions at 31 March 2021 primarily relate to provisions that have arisen due to the early exit of contractual obligations in Ireland and certain provisions recognised on acquisition of subsidiaries in Brazil which relate to regulatory and legal claims.

18. Capital commitments

At 31 March 2021, the Group has capital commitments of £22.8m (30 September 2020: £5.0m) relating to the acquisition of property, plant and equipment. The increase in capital commitments since 30 September 2020 relates primarily to a new can line at the Rugby plant, which is expected to be brought into use during the financial year ending 30 September 2022.

19. 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 30 September 2020	**0.3**	**(27.8)**	**87.3**	**59.8**
Losses in the period in respect of cash flow hedges	(10.0)	-	-	(10.0)
Amounts recycled 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 £m	Translation reserve £m	Merger reserve £m	Total £m
At 29 September 2019	**(1.2)**	**13.3**	**87.3**	**99.4**
Losses in the period in respect of cash flow hedges	(5.6)	-	-	(5.6)
Amounts recycled to the income statement in respect of cash flow hedges	5.2	-	-	5.2
Deferred tax in respect of cash flow hedges	0.1	-	-	0.1
Exchange differences on translation of foreign operations	-	(22.0)	-	(22.0)
Tax on exchange differences	-	(0.5)	-	(0.5)
At 31 March 2020	**(1.5)**	**(9.2)**	**87.3**	**76.6**

Hedging reserve

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.

20. 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). Under IFRS 5, the Norwich land and buildings (forming part of the Group's GB operating segment), continue to be classified as assets held for sale as the assets are available for sale in their present condition and the sale is highly probable. The sale is subject to conditions precedent, including certain planning consents being obtained by the buyer. Sale completion is expected during the year ending 30 September 2024. 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 2020: £16.6m).

At 30 September 2020, certain assets related to the Group's Irish wholesale business, Counterpoint ROI (which forms part of the Ireland operating segment) were classified as held for sale following a strategic review by the Board and in the expectation that the assets would be sold. The previously anticipated sale of these assets will no longer complete and the Group now expects to close this business. Accordingly, these assets are no longer classified as held for sale at 31 March 2021 (net asset carrying value of £3.6m at 30 September 2020).

Please refer to note 33 of the Group's Annual Report and Accounts 2020 for further details.

21. Related party transactions

As disclosed in the Group's Annual Report and Accounts 2020, certain past dividends were paid otherwise than in accordance with the Companies Act 2006. In January 2021, resolutions were passed at the Company's AGM to put the Company, its current and former shareholders and its current and former directors in the position they would have been in, had the relevant dividends fully complied with the Act. This included resolutions to enter into deeds of release to release the directors of the Company at the time the relevant dividends were made, from any liability to repay any amounts to the Company. 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.

22. Events after the reporting period

On 1 May 2021, the Group acquired 100% of the issued share capital of Plenish Cleanse Ltd (Plenish). Plenish is a premium, plant-based beverages brand in GB which offers a range of organic, clean-label, plant-based beverages across milks, raw juices and shots. Using best-in-class ingredients sourced from sustainable, organic farms and no additives, the Plenish brand gives Britvic access to a fast-growing category and is directly aligned to the Group strategic priorities of Access New Spaces and Healthier People, Healthier Planet. The provisional acquisition accounting for this transaction will be completed in the second half of this financial year and further disclosure will be made in the Group's Annual Report and Accounts for the year ending 30 September 2021.

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 is considered an adjusting item.

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 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Strategic restructuring – business capability programme	(a)	(0.5)	(0.1)	(1.6)
Strategic restructuring – organisational capability transformation	(b)	(3.5)	-	(11.3)
Credits in relation to the acquisition and integration of subsidiaries	(c)	0.5	1.1	1.3
Strategic M&A activity	(d)	0.3	(0.6)	(6.3)
Impairment of assets held for sale	(e)	-	-	(0.4)
Impairment of Counterpoint assets	(f)	-	(8.5)	(8.4)
Past service cost on pension schemes	(g)	(0.7)	-	-
Acquisition-related amortisation	(h)	(3.9)	(4.8)	(8.8)
Total included in operating profit		**(7.8)**	**(12.9)**	**(35.5)**
Unwind of discount on consideration payable for acquisitions	(i)	(0.2)	**-**	(0.2)
Total included in finance costs		**(0.2)**	**-**	**(0.2)**
Tax adjusting item – merger of Brazil entities	(j)	-	1.1	1.6
Tax on adjusting items included in profit before tax		0.7	0.3	13.9
Total included in taxation		**0.7**	**1.4**	**15.5**
Net adjusting items		**(7.3)**	**(11.5)**	**(20.2)**

a. '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 £0.5m relate to the closure of the Norwich site and are primarily site services, advisory and exit costs. Costs in the 12 months ended 30 September 2020 were of a similar nature and also included a £1.0m reversal of previous impairment on the Norwich land and buildings.

b. 'Strategic restructuring – organisational capability transformation' in the current period relates to contract termination costs in relation to the closure of the Counterpoint business. Costs in the 12 months ended 30 September 2020 primarily related to contract termination costs, consultation fees and employee termination benefits following the implementation of a Group wide strategic restructure announced during the year.

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

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

e. During the year ended 30 September 2020, an impairment charge of £0.4m was recognised when the Norwich site and certain assets of the Counterpoint business were classified as held for sale.

f. During the year ended 30 September 2020, intangible assets, goodwill and property, plant and equipment relating to the Counterpoint business were impaired.

g. During the 6 months ended 31 March 2021, a charge of £0.7m for past service costs has been recognised resulting from the equalisation of Guaranteed Minimum Pensions (GMP) for the GB defined benefit scheme (see note 16).

h. Acquisition-related amortisation relates to the amortisation of intangibles recognised on the acquisitions in Britvic Ireland, Britvic France, Britvic Brazil and Britvic Aqua Libra Co. Limited (formerly The Boiling Tap Company Limited).

i. The unwind of discount on consideration payable for acquisitions relates to the change in fair value of the deferred and contingent consideration payable for Britvic Aqua Libra Co. Limited (formerly The Boiling Tap Company Limited).

j. During the year ended 30 September 2020, there was an intra-group merger between certain of the Group's Brazilian subsidiaries. This led to recognition of a deferred tax asset on intangibles.

Adjusted profit

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Operating profit as reported	52.3	62.8	130.3
Add back adjusting items in operating profit	7.8	12.9	35.5
Adjusted EBIT	**60.1**	**75.7**	**165.8**
Net finance costs	(9.6)	(9.2)	(19.1)
Add back adjusting items in net finance costs	0.2	-	0.2
Adjusted profit before tax and acquisition related amortisation	**50.7**	**66.5**	**146.9**
Acquisition related amortisation	(3.9)	(4.8)	(8.8)
Adjusted profit before tax	**46.8**	**61.7**	**138.1**
Taxation	(9.5)	(14.7)	(16.6)
Less adjusting tax credit	(0.7)	(1.4)	(15.5)
Adjusted profit after tax	**36.6**	**45.6**	**106.0**
Adjusted effective tax rate	**21.8%**	**26.1%**	**23.2%**

Earnings per share

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Adjusted basic earnings per share			
Profit for the period attributable to equity shareholders	33.2	38.9	94.6
Add: net impact of adjusting items	7.3	11.5	20.2
	40.5	50.4	114.8
Weighted average number of ordinary shares in issue for basic earnings per share (note 8)	266.7	265.3	265.9
Adjusted basic earnings per share	**15.2p**	**19.0p**	**43.2p**
Adjusted diluted earnings per share			
Profit for the period attributable to equity shareholders before adjusting items	40.5	50.4	114.8
Weighted average number of ordinary shares in issue for diluted earnings per share (note 8)	267.4	266.6	267.2
Adjusted diluted earnings per share	**15.1p**	**18.9p**	**43.0p**

Free cash flow

	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Net cash flows from operating activities	**42.4**	**(8.1)**	**168.8**
Purchases of property, plant and equipment	(19.4)	(23.5)	(43.7)
Purchases of intangible assets	(6.9)	(2.3)	(6.3)
Interest paid, net of derivative financial instruments	(8.1)	(11.1)	(16.5)
Repayment of principal portion of lease liabilities	(5.1)	(5.9)	(10.2)
Repayment of interest portion of lease liabilities	(1.0)	(0.9)	(2.1)
Free cash flow	**1.9**	**(51.8)**	**90.0**

Adjusted net debt

	Note	6 months ended 31 March 2021 £m	6 months ended 31 March 2020 £m	12 months ended 30 September 2020 £m
Cash and cash equivalents		(40.9)	(47.6)	(109.2)
Derivatives hedging balance sheet debt	11	(17.1)	(42.2)	(35.1)
Interest-bearing loans and borrowings	11	628.2	754.3	664.7
Adjusted net debt		**570.2**	**664.5**	**520.4**