



Britvic plc Preliminary Results 2021

24 November 2021



Preliminary results presentation



Strategic and operational review

Simon Litherland, Chief Executive Officer

GOOD PROGRESS IN FY21, EMERGING STRONGER



Financial review

Joanne Wilson, Chief Financial Officer

RESILIENT PERFORMANCE AND POSITIVE TRAJECTORY ACROSS KEY FINANCIAL METRICS



Looking ahead

Simon Litherland, Chief Executive Officer

WELL-POSITIONED FOR FY22, CONFIDENT IN OUR FUTURE GROWTH

FOLLOWED BY Q&A

Good progress in FY21, emerging stronger

- Strong revenue growth driven by our portfolio of family favourite brands
- Accessed new growth spaces: Aqua Libra Co, Plenish and Rockstar
- Invested in our business: people, brands and infrastructure
- Continued progress on our Healthier People, Healthier Planet agenda
- Demonstrated operational resilience and agility, underpinned by highly-engaged people and the investment in our Business Capability Programme
- Partnered with customers and suppliers to deliver great outcomes together
- Disciplined cash management, enabling further debt reduction and dividend growth

Preliminary Annual Review November 2021



BRITVIC
plc

Positive trajectory across key metrics

PEOPLE, PLANET, PERFORMANCE

UNDERLYING
REVENUE
+6.6% **

ADJUSTED EBIT
+10.0% **

ADJUSTED EBIT
MARGIN
+40bps

FREE CASH FLOW
+£43m

DIVIDEND PER SHARE
+12.0% *

HEALTHIER PEOPLE | HEALTHIER PLANET

CONSUMERS
Only 25 calories
per serve

EMPLOYEES
Engagement
at 80%, +2%

PACKAGING
All GB IC packs
in 100% rPET

Preliminary Annual Review November 2021

* Adjusted for one-off non-cash deferred taxation impact of the increase in UK Corporation tax rate to 25% from 2023

** Adjusted for currency, disposal of France PL and Counterpoint agency

BRITVIC
plc

| GB: Strong performance across our portfolio of family favourite brands

CHANNEL DYNAMICS

- At-Home channel remains structurally larger than 2019
- On-Trade channel rebounding in H2
- Immediate consumption now back at 2019 levels

BRITVIC PERFORMANCE

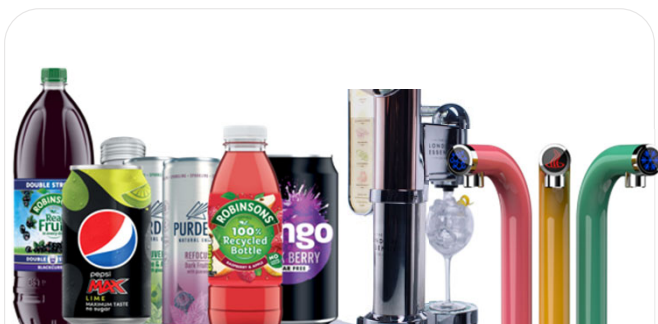
- Driven by our market-leading low/no sugar carbonate brands
- J2O in growth due to On-Trade resurgence
- Fruit Shoot growth as mobility improved, schools re-opened and On-Trade restrictions lifted
- Solid Robinsons performance, value remains ahead of pre-pandemic as consumers continue to spend more time at home
- Immediate consumption packs rebounded as consumer mobility normalised



Preliminary Annual Review November 2021

BRITVIC
plc

| GB: Innovating and expanding the portfolio to accelerate growth



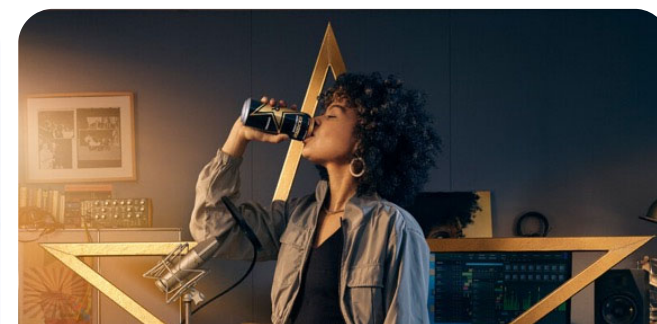
INNOVATING ACROSS OUR CORE PORTFOLIO

- New flavours to broaden appeal on:
 - Pepsi, Tango, and Robinsons
- New Purdey's and Robinsons RTD ranges to expand our health leadership
- Using dispense to access new occasions with London Essence Fresh Serve – Premium Tonic on Tap, and Aqua Libra Co



ACQUISITION OF PLENISH PLANT-BASED DRINKS

- Integration plan on track
- Leveraging Britvic relationships to secure new grocery listings in GB and NL
- Relaunch planned for Spring 2022



REJUVENATION OF THE ROCKSTAR ENERGY BRAND

- Extended Pepsi agreement gives us access to Rockstar Energy
- Overhaul of brand proposition – improved liquids, added health benefits, clear consumer proposition
- Solid base for growth



GB: Continued focus on sustainability agenda

HEALTHIER PEOPLE, HEALTHIER PLANET



BELONGING AT BRITVIC

- Network of D&I employee forums to ensure true sense of belonging
- Voluntary network of 'Wellbeing Warriors' and mental health first-aiders
- Partnership with 'Andy's Man Club' to support male mental health



HEALTHIER CONSUMER CHOICES, PEOPLE & PLANET

- 90% of volume below soft drinks levy and HFSS threshold
- 100% rPET rolled out to all IC packs
- Support a GB-wide DRS scheme to bolster recycling rates



OUR PATH TO NET ZERO

- The first UK soft drinks company to commit to limiting global warming to SBTi 1.5°C – the highest standard
- Developed ambitious carbon reduction pathway to 2025



WATER STEWARDSHIP

- River restoration projects to improve water quality and biodiversity
- Launched programmes in all manufacturing sites – building engagement through employee volunteering



| Brazil: Building scale and pace, fuelled by both core and innovation brands



O QUANTO AS NOSSAS
AÇÕES IMPACTAM NO
VERDE QUE TEMOS
NO BRASIL?



GROWING OUR LOCAL FAVOURITES

- RTD brands in strong growth, supported by new flavours and pack formats
- Share of flavour concentrates at all-time high
- Accelerating Fruit Shoot performance across the year
- Leveraging group capability to improve liquids, broaden appeal and PPA capability

PORTFOLIO EXPANSION TO ACCESS NEW SPACES

- Successfully scaling recent innovation – Puro Coco, Seleção grape juice, Natural Tea and Nuts
- Launched group brands to access new premium growth spaces with Pressade, Mathieu Teisseire, Britvic and London Essence

PROGRESSING HEALTHIER PEOPLE, HEALTHIER PLANET

- Partnering with farmers and educational bodies to ensure efficient, sustainable production
- First full year of zero waste to landfill
- Increased biomass capacity
- Launch of employee wellbeing programme



| Other international: Simpler business focused on driving profitable growth



FRANCE / BENELUX

- Simplified businesses enabling greater focus on higher-margin brands
- Share gains for Teisseire in France and Netherlands and for Moulin De Valdonne and Fruit Shoot in France
- Tough comparators for At-Home syrups, poor weather resulting in revenue decline, partly offset by Fruit Shoot in strong growth
- HPHP initiatives included the launch of Pressade biodegradable packs



IRELAND

- Exited low margin wholesale business. Retained on-trade presence via distribution agreements
- Continued growth At-Home through trusted family favourites & Out-of-Home recovery as lockdown ends
- Relaunch of Ballygowan in 100% rPET
- Gold award from Origin Green, Ireland's food & drink sustainability programme



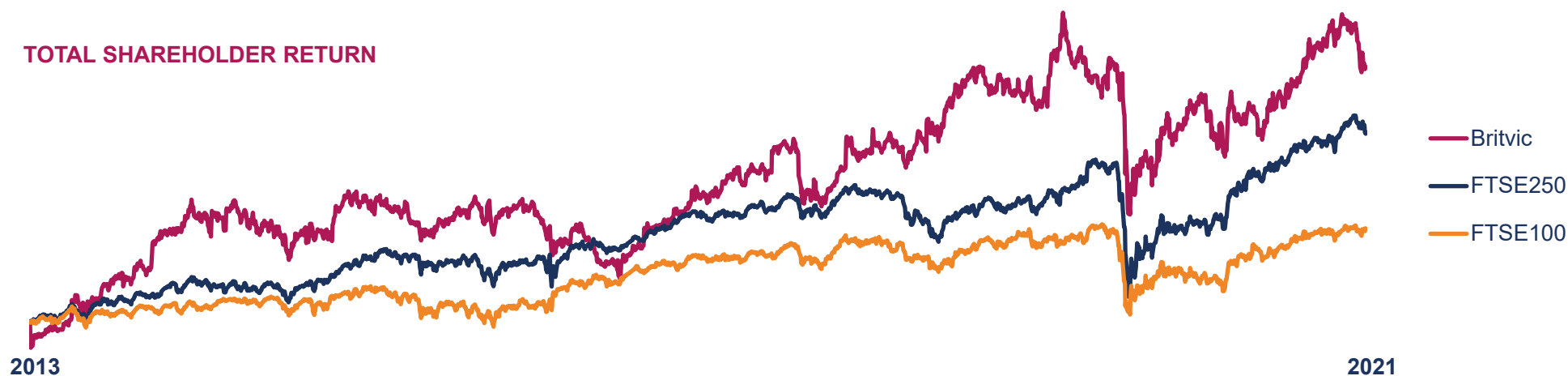
GLOBAL PREMIUM

- Heavily impacted by global lockdown restrictions, strong recovery as restrictions lifted
- Launch of new digital hub for Mathieu Teisseire to connect with trade professionals
- London Essence available in double the number of outlets compared to 2019

A track record of creating shareholder value

- Total shareholder return of 156%, outperforming the FTSE 100 & 250 since 2013
 - Market Cap increased from £1.1bn to £2.4bn
 - Unwavering commitment to a 50% pay-out ratio: paid 50% across 2020 and 2021
- £534m of dividends returned to shareholders since 2013
 - Focused on continuing to deliver strong value for shareholders

TOTAL SHAREHOLDER RETURN





Preliminary Annual Review November 2021

Financial Performance

Joanne Wilson

RESILIENT PERFORMANCE
AND POSITIVE
TRAJECTORY ACROSS ALL
FINANCIAL METRICS

Good year-on-year progress across key financial metrics

Metric	Reported	Vs LY
Revenue	£1,405.1m	+6.6%**
Adjusted EBIT	£176.5m	+10.0%**
Adjusted EBIT margin	12.6%	+40bps**
Adjusted EPS	44.3p*	+2.5%
Dividend per share	24.2p	+12.0%
Free Cash Flow	£132.7m	+£42.7m
Adjusted Net Debt/EBITDA	2.1x	(0.3x)

H1 revenue

Vs 20 -4.1%

Vs 19 -2.2%

H2 revenue

Vs 20 **+16.8%**

Vs 19 **+3.3%**



Preliminary Annual Review November 2021

* Includes one-off non-cash deferred taxation impact of the increase in UK Corporation tax rate to 25% from 2023

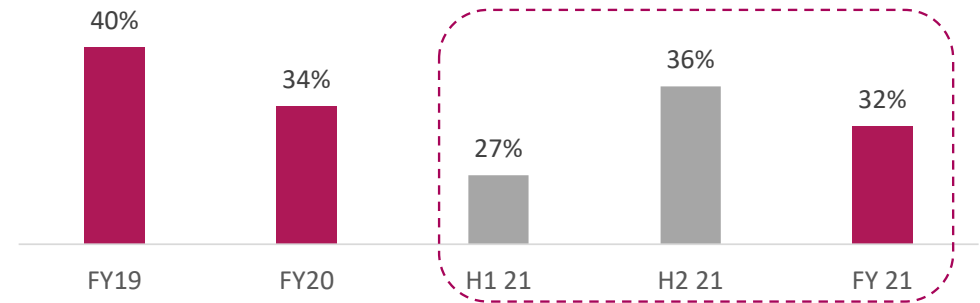
** Adjusted for currency, disposal of France PL and Counterpoint agency

BRITVIC
plc

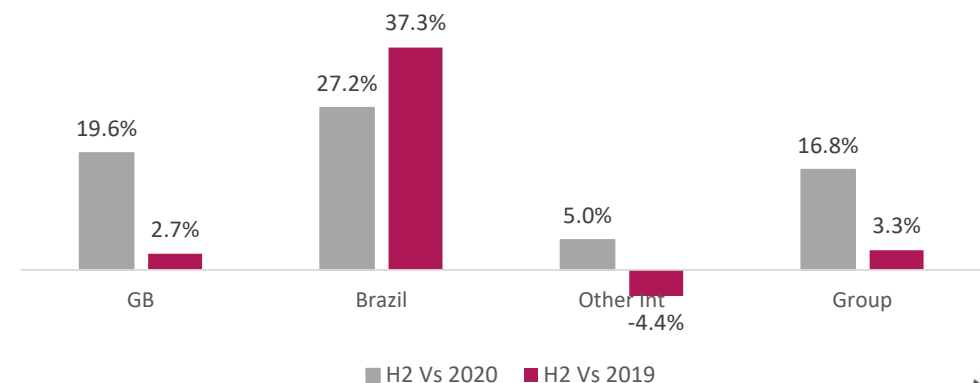
Improving mix and positive trajectory with H2 revenue ahead of 2020 and 2019

- H1 heavily impacted by protracted lockdown and social distancing measures
- Group revenue in H2 up on 2020 and 2019
 - +16.8% on 2020
 - +3.3% on 2019
- A structurally bigger GB At-Home business compared to 2019
- GB immediate consumption now back at 2019 levels
- GB Out of Home market at approximately 85-90% of 2019 levels
- Similar trends in Ireland
- Positive trajectory in H2 as restrictions lifted

GB Out of Home as % of total volume

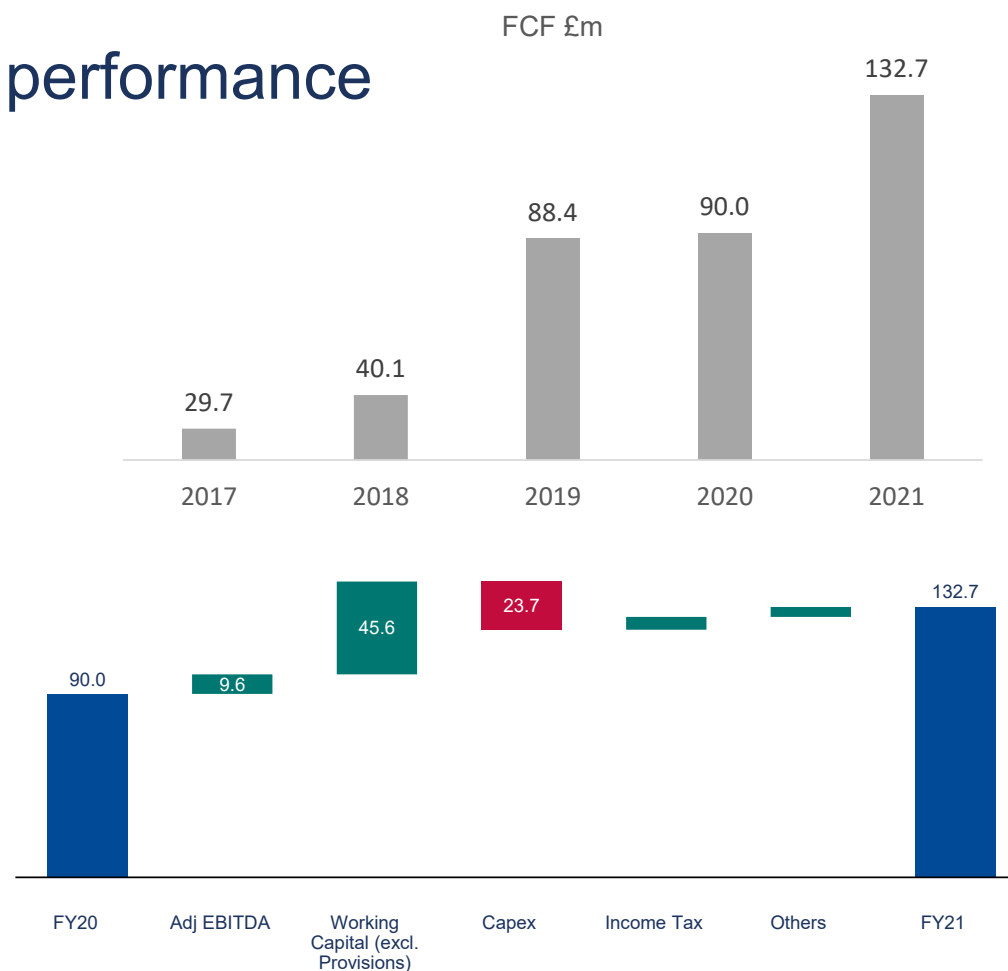


H2 revenue vs FY20 and FY19



Continued strong underlying cash performance

- Record free cash flow generation after M&A outflows
- £32m reduction in adjusted net debt
- Closing net debt £78m lower than 2019
- Debt leverage back to pre-pandemic levels
- Strong underlying working capital improvement and £20m pension cash benefit
- A resilient, cash generative business



Business unit highlights

Great Britain

- Revenue; AH +10.9%, OOH -0.1%
- Pack and channel mix driving positive ARP
- Margin growth impacted by A&P rebuild in H2

Brazil

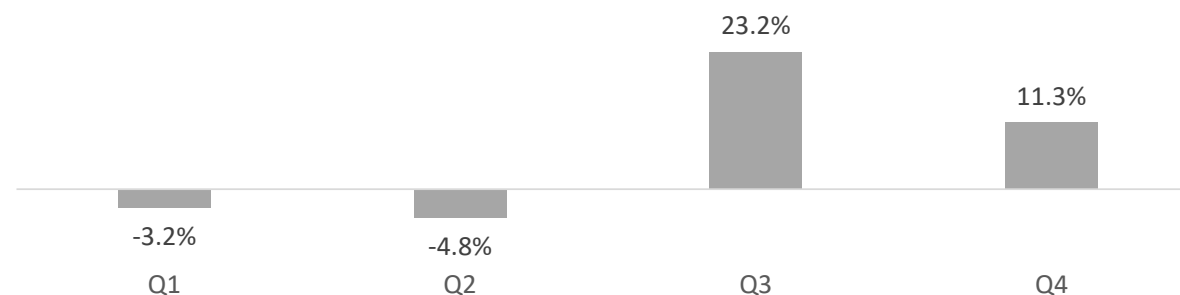
- Strong volume and revenue growth, primarily from RTD
- Scaling innovations brands
- Margin decline due to inflationary pressures and mix

Other international

- **France** - Fruit Shoot growth offset by syrups decline due to impact of poor weather and tough comparable
- **Ireland** - Bounce-back in Out-of-Home channel as restrictions ease and At-Home demand remains strong
- **Other** - growth across Asia, Middle East, Export and Belgium partly offset by exit of Fruit Shoot in the Netherlands

	GB	BRAZIL	Other Intn'l	GROUP
Volume	+4.7%	+14.9%	0.2%	+5.1%
ARP per litre	+3.1%	+5.3%	(1.4%)	+1.5%
Revenue	+8.0%	+21.0%	(1.3%)	+6.6%
Brand contribution	+8.5%	+2.5%	(1.9%)	+5.9%
Brand margin %	+10bps	(330)bps	(20)bps	(30)bps

Revenue growth YOY



Continued cost discipline supporting rebuild of investment

	2021	% Constant Exchange Rate
Total A&P spend	58.0	(26.5%)
A&P as a % of revenue	4.1%	(80)bps
Non-brand A&P	8.3	+18.6%
Fixed Supply Chain	122.1	(2.2%)
Selling Costs	75.1	+0.5%
Overheads & Other Costs	126.5	(10.5%)
Total fixed cost base	332.0	(3.9%)

A&P and Fixed Costs

- Rebuild of A&P investment, H2 ahead of 2019
- Overhead & Other costs up due to rebuild of discretionary spend and reward



Confident in our ability to mitigate inflation



A HIGHER INFLATIONARY ENVIRONMENT

- Raw material cost inflation across key commodities, labour and energy
- UK-wide haulage constraints
- Managing impact on raw materials from global supply chain disruption



SMART REVENUE MANAGEMENT CAPABILITY

- Implementing price increases across all markets
- Continue to optimise promotional depth and frequency
- Manage brand / channel mix levers to grow ARP
- Utilise pack architecture flexibility across customer base
- Pricing power and elasticity well understood



DISCIPLINED COST AND PROCUREMENT MANAGEMENT

- High level of cover for FY22
- Targeted efficiency projects
- Ongoing mitigation initiatives, including formulations and sourcing
- Retain flexibility to invest as the year progresses

Technical guidance and modelling considerations for 2022

MODELLING CONSIDERATIONS

- Soft comparators in H1 due to lockdowns and social distancing measures in place in FY21
- Higher inflationary pressures
- Expect further progress on margin recovery however held back by channel mix and cost inflation
- Planning to further invest behind growth drivers, subject to market conditions

TECHNICAL GUIDANCE

- **Tax rate** – 21% to 22% ETR
- **Interest range** - £17m to £18m
- **Pension** – reducing to £5m cash contribution
- **Capital spend** - £90m to £100m including post-COVID catch-up
- **Adjusting items** – Less than £5m plus recurring non-cash acquisition related amortisation of £8m



Looking Ahead

Simon Litherland

WELL-POSITIONED FOR
FY22, CONFIDENT IN OUR
FUTURE GROWTH



Our growth strategy remains robust and consistent

CONFIDENT IT WILL CONTINUE TO DRIVE GROWTH

STRATEGIC PRIORITIES



**BUILD LOCAL
FAVOURITES &
GLOBAL PREMIUM
BRANDS**



**FLAVOUR
BILLIONS
OF WATER
OCCASIONS**



**HEALTHIER
PEOPLE,
HEALTHIER
PLANET**



**ACCESS
NEW
GROWTH
SPACES**

MARKET FOCUS



**LEAD MARKET
GROWTH IN GB**



**ACCELERATE AND
EXPAND IN BRAZIL**



**GLOBALISE PREMIUM BRANDS
& IMPROVE PROFITABILITY
IN WESTERN EUROPE**

ENABLERS

**GENERATE FUEL FOR GROWTH
THROUGH EFFICIENCY**

**TRANSFORM ORGANISATIONAL
CULTURE & CAPABILITY**

**SELECTIVE M&A TO
ACCELERATE GROWTH**

Each geography has a clear role in our growth strategy



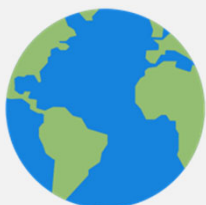
LEAD MARKET GROWTH IN GB

- Outpace the category with focus on family favourites, scale innovation, healthier and more premium choices
- Channel and category expansion
- Enhanced long-term PepsiCo relationship



ACCELERATE AND EXPAND IN BRAZIL

- Continue rejuvenation of flavour concentrates
- Penetrate new categories through innovation, acquisition and group brands
- Increase operational leverage as we expand distribution & build scale



GLOBALISE PREMIUM BRANDS & IMPROVE PROFITABILITY IN WESTERN EUROPE

- Leverage simplified France and Ireland businesses to focus on higher margin brands
- Grow London Essence and Teisseire to scale in select priority markets

We are investing in our brands



- Big proven platforms, executed through the line
- Partnering with retailers on scale seasonal events such as Christmas
- Multi-channel approach - TV, print, digital and outdoor:
 - On-pack activation
 - Unique retailer activity
 - In-store feature & display across all customer channels

Preliminary Annual Review November 2021

BRITVIC
plc

Innovating to build our health and wellness credentials

BUILDING OUR
HEALTH &
WELLNESS
OFFERINGS



NEW FLAVOURS
TO BROADEN
APPEAL

We are investing in our organisational capability, technology and infrastructure



COMMERCIAL CAPABILITY

- Implementing Kantar to upgrade revenue management and CRM
- Enhanced access to real-time data for our field sales teams



DIGITAL MARKETING

- Investing in a data and insights led, end-to-end consumer experience
- Developing an in-house digital studio and global marketing data strategy



SUPPLY CHAIN

- New can line and upgraded national distribution centre
- Implementing SAP Ariba to drive further procurement efficiency

We are investing for a better tomorrow



PEOPLE

- Connected technology to support collaborative, hybrid working
- Active wellbeing and D&I programmes in all our markets
- 24/7 access to learning and development through online global library



PLANET

- Decarbonisation towards net zero – eg. renewable energy in GB & Ireland, and more biomass capacity in Brazil
- Water metering to drive improved water ratio and stewardship
- Increased rPET and light-weighting to reduce packaging per serve

HEALTHIER PEOPLE, HEALTHIER PLANET

Emerging as a stronger, faster-growing, more agile business

- Soft Drinks is a growing and resilient category – affordable, everyday consumables
- Britvic has an excellent track record of navigating headwinds
 - We have many levers and choices at our disposal
- Today, we are emerging as a stronger, faster-growing and more agile business
 - Solid balance sheet, cash generative
 - Highly-engaged, capable and connected team
- We are also poised for future growth
 - A portfolio of trusted family favourite brands
 - Pipeline of innovation to access new spaces
 - Investing to accelerate our growth trajectory



APPENDIX

Adjusting Items

	£m
Strategic restructuring costs, primarily related to the closure of Counterpoint	6.7
Acquisition costs, primarily related to Plenish	0.2
Past pension service costs	0.7
Other	0.1
Total excluding acquisition-related amortisation	7.7
Acquisition-related amortisation	8.2
Total adjusting items pre-tax	15.9