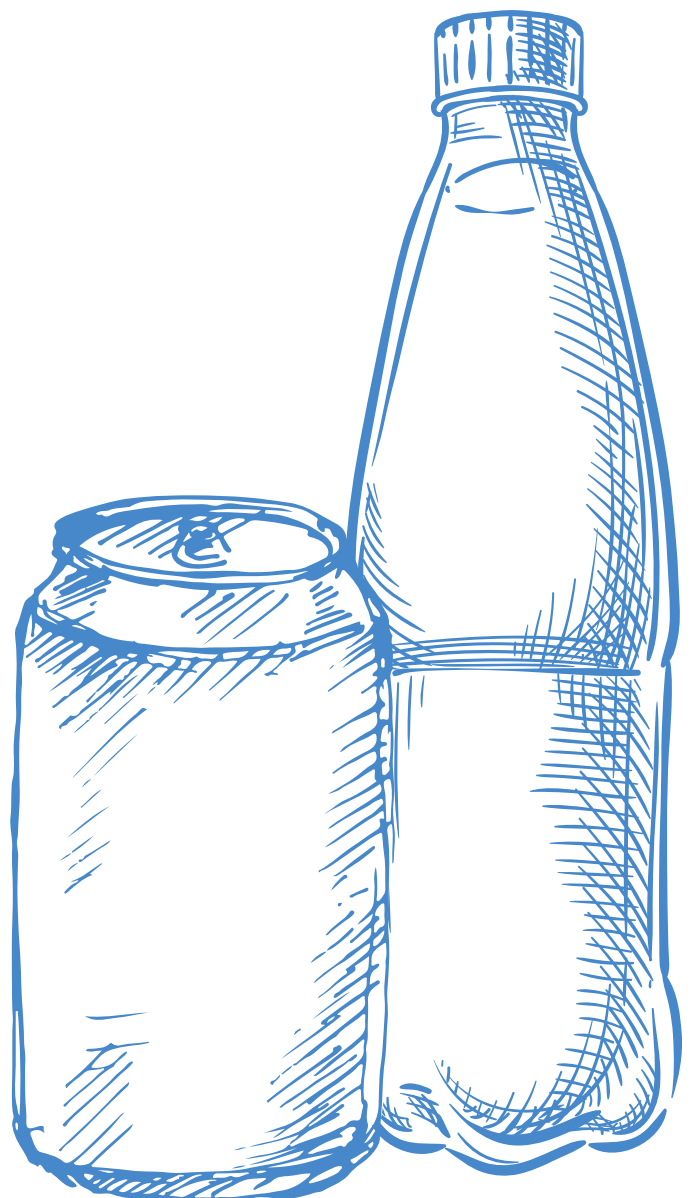


CONVENIENCE & IMPULSE

SOFT DRINKS REVIEW
2022



WELCOME

TO THE BRITVIC SOFT DRINKS REVIEW

A HORIZON OF OPPORTUNITY.

The ability to forget what hurt you and remember only what it taught you is the ultimate take away from the past two years. The challenges and uncertainties of the pandemic have all but dissipated, yet the positive changes that lay in the wake of it all provide growth opportunities.

We can however, not for a moment forget that we're now living in the shadow of the impact of the cost of living increases, constant threat of war in Europe and as a result, the lowest consumer confidence levels on record. These all represent significant challenges but the proven resilience and adaptability of the soft drinks category means that we should remain cautiously optimistic.

In a short space of time, slowly rising trends such as online shopping, delivery and blurring dayparts have sped up considerably across retail, foodservice and licensed, giving businesses lucrative new spaces to play in. Within this, consumers' soft drinks needs have also changed as they further seek healthier and functional beverages, as well as flavours and serves that excite them.

Foodservice and licensed have gained some of the biggest wins from these areas, having launched delivery and online ordering offers out of necessity. But these aren't passing fads or a means to an end, as Britons continue to tap into these offerings which they view as new and permanent conveniences, even though they are arguably no longer necessary.

When consumers are going out though, premium choices are more important to them as they seek to make the most of every experience. This is particularly prominent within cocktails, sales of which have seen considerable growth in the past 12 months.

In retail, as shoppers travel towards a post-pandemic equilibrium, food-to-go and on-the-go retail sales are returning to growth. But, with former commuters continuing to take advantage of flexible working and working from home, outlets will likely need to raise their rapid delivery game further to entice spend from homeworkers.

The good news is shoppers are open more than ever to delivery in all markets, be it foodservice or retail. So, tapping into rapid delivery is more of an opportunity than a challenge, as consumers continue to look favourably on clicking for a product online over picking it up from a shop.

Shoppers have also had more time to reflect on the impact they have on the environment, meaning the choices they make when buying food and drink are no longer just about taste, price or convenience. Consumers are more educated than ever when it comes to sustainability and environment, which plays on their conscience. In fact, consumers want suppliers and retailers to do more to help them make the right choices, and demand manufacturers and retailers to help them do this by creating or selling greener items.

The industry still awaits clarity on the Deposit Return Scheme (DRS) legislation. Scotland's DRS infrastructure, also known as a reverse deposit scheme, is currently scheduled to go live on 16 August 2023, having been delayed from a July 2022 date due to the pandemic. It is still, however, unknown when a DRS scheme will roll out across the rest of the UK, and it is worth noting that closed loop recycling programmes such as DRS will only be a short-term solution to maintaining rPET supplies, as virgin plastic will always be needed to ensure high-quality food-grade plastics.

Finally, many retailers and manufacturers will face additional challenges down the line with HFSS legislation coming into force in October 2022. As a category, we are certainly no strangers to the impact of legislative changes, having navigated the soft drinks industry levy in 2018. This has shown how the category can react through reformulation and innovation, leading to a significant reduction in calories and sugar while it remained firmly in growth. Therefore soft drinks is well placed to confront the HFSS opportunity and see this as an opportunity for no/low sugar brands.

After a turbulent two years, you will see in the pages of this report that the soft drinks category, manufacturers, operators and retailers have shown resilience and are now heading towards a future driven by lucrative trends that were, until recently, only small revenue drivers.



Kind regards
Paul Graham
Managing Director



SUSTAINABILITY

Consumers' understanding of their impact on the environment has ballooned in recent years as they continue to transcribe key messages from famous climate change activists and events, such as COP26, into their own lives. More than ever, Britons are clued up on sustainability and the effect their decisions have on the world. But that doesn't necessarily mean they are always keen, or able, to make the right choices.

While more shoppers subscribe to climate change, there is a growing tension between the cost of living more

sustainably and the ability to do the right thing, with 44%¹ of shoppers believing it is too expensive to support an environmentally friendly lifestyle. Such a sentiment is likely to rise in the months ahead as inflation, energy price hikes and other cost increases continue to bite at disposable income. That said, consumers are already making small changes and buying fewer soft drinks in plastic bottles, sales of which have declined by 6% in the last five years². Sales of soft drinks sold in cans, meanwhile, have increased share by 7% over the same period².



KNOWLEDGE IS POWER

Over three-quarters (77%)¹ of consumers believe they and their fellow shoppers lack the correct knowledge when it comes to the environmental impact of food and groceries, and 72%¹ say more sustainability information on-pack would benefit them, with the same number agreeing information on packaging would also be useful. Some 52%¹ of consumers asked said they did not know how to tell if a grocery product was sustainable, and half¹ again believed they couldn't afford to buy sustainably-sourced food and drink.

Most consumers, however, do know food and drink sustainability is important, with just a fifth¹ claiming otherwise. But when it comes down to getting it right, over two thirds (68%)³ of shoppers said the responsibility of creating change should sit with retailers and manufacturers. This belief is further highlighted by 49%³ of those asked saying it was the responsibility of retailers to sell only sustainable products, and not their job to buy sustainably.

¹ IGD ShopperVista: Do it for me: help me live sustainably part two 2022

² Nielsen IQ RMS, Total Soft Drinks, Grocery Multiples, Value Sales to 01.01.22

BEHAVIOURAL CHANGE

JUST AS CONSUMERS LOOK FOR THEIR PREFERRED FLAVOURS AND TASTES WHEN SHOPPING FOR A DRINK, OVER TWO-THIRDS³ ARE NOW LOOKING AT THE AMOUNT OF PACKAGING ON WHAT THEY BUY BEFORE MAKING A PURCHASE.

The same number³ also claim to think about the impact a product has on the environment before choosing, and 38%³ consider greenhouse gas emissions before buying a food or drink item.

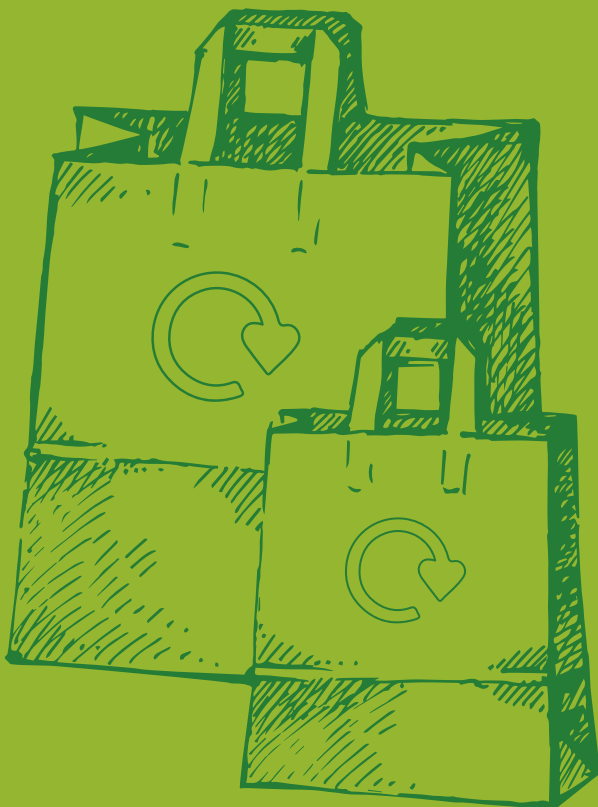
However, consumers are still in need of education around sustainability practices when it comes to FMCG, as 39%¹ of shoppers said they believed other needs were more important than the environment when buying groceries.

Producers understand this and are making positive changes on behalf of their customers, with 88%⁴ of

businesses agreeing that immediate action could limit the worst impacts of climate change. A third⁴ of companies have already made a move by incorporating sustainable materials in their products such as rPET, with another 66%⁴ increasing efficiencies and reducing energy consumption.

Businesses understand that decisions to lighten their environmental weight will not only have a positive impact on their customers' lives, but also how they are perceived by shoppers. Half⁴ of businesses said sustainability efforts will add to their brand's recognition and reputation, and a further 46%⁴ agreed sustainability efforts would add to customer satisfaction.

Although customers are pressing for change from manufacturers, retailers and government, they are aware of their own responsibilities. Over two-thirds (63%)³ agreed widescale action should be taken to slow or reverse climate change, and 60%³ conceded that they too can change their behaviours to help limit climate change.



SHOPPERS DEMAND CLIMATE ACTION

OVER 70%³ OF SHOPPERS BELIEVE THE UK AND GLOBAL GOVERNMENTS HAVE A DUTY TO ACT ON CLIMATE CHANGE. A FURTHER 65%³ WENT AS FAR AS SAYING THE UK GOVERNMENT SHOULD ACT TO LIMIT THE IMPORTS OF LESS SUSTAINABLE FOOD AND GROCERIES.

It would appear consumers need all this help, because 42%³ of them said they didn't have time to work out whether something was sustainable or not before making a purchase. But the good news is 40% of consumers in December 2021 said they trust the food and drink industry to reduce its environmental impact, up from 30% for December 2017⁵.

3 IGD ShopperVista: Do it for me: help me live sustainably part one 2022

4 Deloitte 2022 CxO Sustainability Report

5 IGD ShopperVista: Health, nutrition and ethics tracking data 2021

STEPS TOWARDS A HEALTHIER PLANET⁸

BRITVIC IS TAKING PROACTIVE STEPS TO REDUCE THE ENVIRONMENTAL IMPACT OF PLASTIC PACKAGING AND SEEKING NEW WAYS TO FUTURE-PROOF 'BEYOND PLASTIC'.

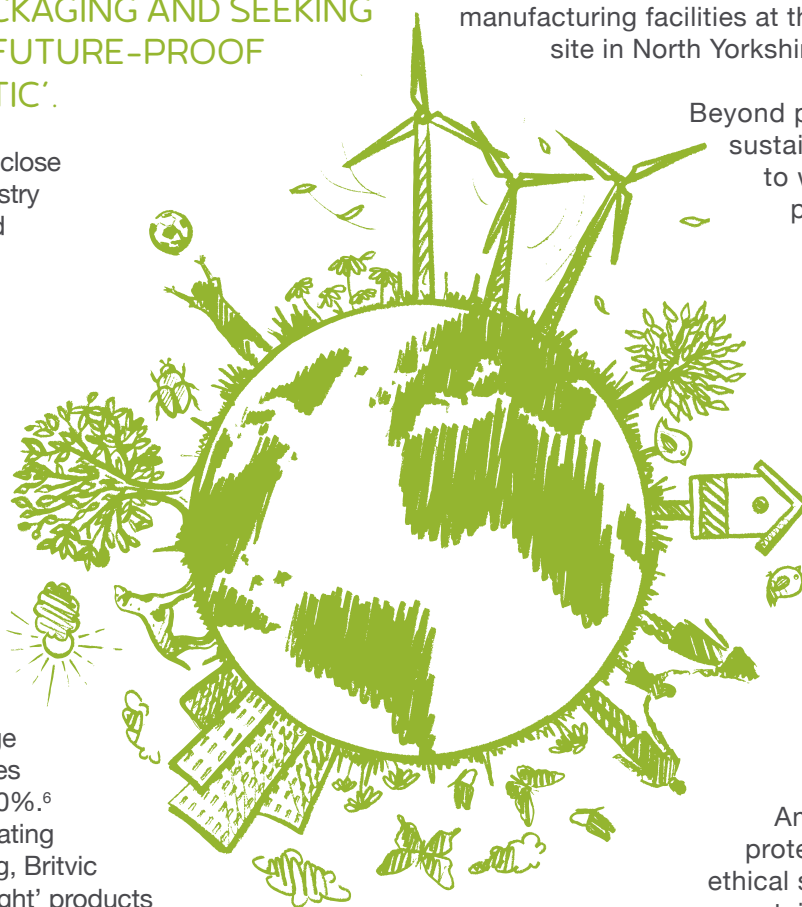
The business works in close collaboration with industry peers, government and waste management organisations to improve systems and infrastructure to promote better plastic and metal recovery. As part of this, Britvic also advocates an industry-run deposit return scheme to add further strength to existing material recovery solutions.

In 2021, the percentage of rPET in Britvic bottles across GB&I rose to 30%.⁶ In addition to incorporating rPET into its packaging, Britvic continues to 'light-weight' products to remove even more plastics from the market⁸. For example, in GB&I 1,326 tonnes of plastics were removed from products as a direct result of this initiative⁶. A total of 3,417 tonnes has been removed since 2017⁷.

To bolster progress and help secure the long-term supply of UK-sourced recycled plastics, Britvic has invested £5M to support the construction of rPET manufacturing facilities at the Esterform production site in North Yorkshire.

Beyond plastic, Britvic's sustainability focus extends to wider environmental protection initiatives, such as forestry schemes, by planting 10,500 trees, and water stewardship⁶. Throughout 2021, the business improved water efficiency across its GB manufacturing facilities by investing in water recovery and reuse systems in its cleaning processes. It is estimated this will save over 10m litres of water a year⁶.

Among other planet protecting plans, such as ethical sourcing and developing more sustainable supply chains, Britvic has also set out ambitions to achieve a 50% reduction in its greenhouse gas emissions by 2025 and will become net zero by 2050⁶.



REFILL, REUSE OR RECYCLE

The hurdle suppliers must help customers overcome is the perceived cost associated with being green. Soft drink consumers do have the ability to make affordable sustainable choices, but a lack of information and knowledge alienates them as they believe making greener choices will hit their wallets⁷.

One area that has, arguably, little added direct cost for shoppers is recycling and refilling. Some 78%⁷ of Brits asked said they wanted to see more big food and drink brands offering refills and refillable packaging for their products. A further 74%⁷ of shoppers agreed they

wanted to see a broader range of products offered at refill stations. If refills became a bigger part of the retail and manufacture offering, sentiment shows consumers would likely buy into the proposition.

While a tried and tested solution in markets such as Germany's beer industry, the reuse method, specifically around glass bottles, also comes with its own pros and cons. Reusing glass bottles in a close-loop system reduces the need for new bottles to be made, which is energy intensive and polluting. However, the act of transporting glass bottles on trucks and in vans increases

⁶ Enjoying Life's Everyday Moments, Britvic Annual Report and Accounts 2021
⁷ IGD ShopperVista: Do it for me: help me live sustainably part two 2022

CO₂ emissions. Cleaning the bottles is also water and energy intensive. To be carbon neutral, glass bottles must also be reused approximately 20 times⁸. Finally, all soft drinks manufacturers would have to switch to the same size, style and colour of glass bottle to avoid issues with sorting packaging for specific brands in a central wash system.

To employ a full reuse or refill model, both manufacturers and retailers would require significant time and money to manoeuvre business models to drive the change. It would also take time to do so sustainably in order to avoid resource, machinery and technology wastage.

SUSTAINABLE HYDRATION

Aqua Libra Co has accelerated the shift towards healthy, sustainable hydration with its digital Flavour Tap, launched in 2022. The Britvic-owned business eliminates the need for single-use packaging, helping to support customers in hospitality, retail and workplaces.

Intuitive to use with a simple, touchscreen interface, the high-performance solution uses 500ml flavour cartridges made from fully recyclable materials, directly replacing 1,000 500ml bottles. The unit itself features a sleek, distinctive design, and is available in counter-top and freestanding options, offering still or sparkling water in four refreshing flavours – Blackcurrant, Orange & Yuzu, Cucumber, Mint & Lime and Raspberry & Peach flavours – with zero calories and no additives. Each unit is also capable of delivering further flavours and added benefits in the future, such as electrolytes.

The Flavour Tap was built using Amazon Web Services (AWS) Internet of Things (IoT) and analytics technologies, enabling customers to analyse real-time data on the tap's usage. This includes how many and what kinds of drinks are served. The tap also has the ability to identify and adjust its minimum container weight to ensure a wide range of cups can be detected. Under the countertop, a high-tech cartridge powered by AWS IoT, releases micro-doses of sugar-free and additive-free flavouring into the water. Using AWS, the IoT sensors on the tap's flavour cartridges also simplifies operations and maintenance, by sending out automatic alerts when a cartridge needs to be changed, or if the tap is experiencing problems and requires attention.



CLIMATE POSITIVE SOFT DRINKS⁹

Feel Good Drinks claimed a UK soft drinks industry first, becoming climate positive in 2021 by offsetting more than twice the 206 tonnes of carbon it produced in 2020.

The Nichols incubator brand worked with Planet Mark and used the Gold Standard's clean water programme and the CommuniTree reforestation initiative to offset 497 tonnes of carbon over the 12-month period.

Feel Good has also set out plans to become net-zero by 2030 as part of a nine-year climate change action plan, spanning its direct carbon emissions and indirect emissions from the likes of energy use.

The action plan will see Feel Good develop sustainability-driven interventions across manufacturing, while the business will also work with its ingredients suppliers and wider industry stakeholders to develop more sustainable and circular operation practices.



Although fraught with its own complexities, such as costs, logistics and the possible need for legislation, Deposit Return Schemes (DRS) offer shoppers the ability to consume various products with less strain on their conscience. Such schemes are also ripe with reward for manufacturers and retailers if implemented correctly and with closed-loop systems in place to capture plastics, glass, steel and aluminium for reuse. The essence some DRS also means customers can reclaim costs passed on to them.

Domestic recycling carried out by local councils has existed in many towns and cities across the UK for decades. As a result, most consumers are familiar with the act and of what can and cannot be recycled, specifically when it comes to glass, plastics and metals. Over half of shoppers (54%)¹⁰ have already started to increase their recycling in the last 12 months, while more consumers have said the ease of recycling the products they buy has become more important to them¹¹.

THE SAME DATA SHOWS SHOPPERS ALSO WANT TO SEE MORE RECYCLED PACKAGING USED IN SOFT DRINKS BOTTLES, BUT ESPECIALLY FOR BOTTLED WATER.

DRS systems can be complex and multifaceted, with many options and if not handled correctly could become a costly activity for all involved. Scotland's DRS infrastructure, also known as a reverse deposit scheme, is currently scheduled to go live on 16 August 2023, having been delayed from a July 2022 date due to the pandemic.

Under the scheme, the Scottish Government will work with retailers and operators to successfully launch the infrastructure on a voluntary basis, with the aim of collecting and retaining 90% of PET plastic, steel, aluminium and glass in the closed loop system by 2024. The scheme is being run and supported by Government, Zero Waste Scotland and Circularity Scotland and will be the first DRS implemented in the UK.

⁹ <https://www.thegrocer.co.uk/sustainability-and-environment/feel-good-drinks-claims-first-for-uk-soft-drinks-by-becoming-climate-positive/656363.article>

¹⁰ IGD ShopperVista: Do it for me: help me live sustainably part two 2022

¹¹ IGD ShopperVista Category Benchmarks: ethics and sustainability 2021

SINGLE USE PLASTICS AND CONSUMERS

Attitudes to single use plastic have changed, with the UK Government's proposed Deposit Return Scheme another initiative that will impact retailers, suppliers and shoppers alike. The share of soft drinks sales in plastic bottles in grocery has fallen over the last five years from 63% to 57%, with cans increasing their share from 19% to 26%, while cartons have also declined (from 12% to 10%) and glass has grown slightly (from 4% to 5%)¹².

Brands are increasingly adopting recycled rather than virgin PET, but supply is a challenge here, with ever increasing demand leading to a doubling in the price in the year to January 2022, with the cost of rPET now exceeding virgin PET¹³.

The environment of a more conscious public considering the impact of the packaging they buy is one that will surely bolster demand for dilutable categories like squash and SodaStream, both of which use many times less packaging (and road miles) for each glass of liquid consumed¹².

Packaging is perhaps the first wave of consumer action on the environment, with carbon impact and water use likely candidates for the next move¹². Indeed, major retailers have recently renewed commitments, with Tesco pledging net zero carbon emissions on their own operations by 2035 and Sainsburys, Asda & Morrisons similar commitments by 2040¹².



To use the scheme, consumers will pay a 20p deposit when they buy a drink that comes in a single-use container but will get their money back when the empty container is returned to one of tens-of-thousands of return points set to be deployed across Scotland. The initial cost of the system, however, will sit with producers and be passed on to consumers through the deposit. Such schemes are costly, financially, in the first year of implementation, but once set up this can be outweighed quickly.

DRS schemes, to work, must be cost efficient for the three main parties involved in the process – the manufacturer, retailer and the consumer – to ensure there is buy in, says Managing Director of DRS specialist, The Tomra Collection UK & Ireland, Truls Haug. For over 20 years TOMRA has pioneered a sensor-based sorting technology to optimise recycling and resource recovery operations around plastics, metals and glass, with a specific focus on DRS.

The ultimate benefit of a successful DRS system, though, is that it contains valuable materials in one loop which can be reused by manufacturers to significantly reduce the reliance or need for vPET and aluminium. The systems are also competitive compared to alternatives, offering high money and resource savings in turn, says Haug.

Norway's DRS is cost-effective, he explains, saying it can keep all material in the loop and uncontaminated, meaning valuable resources can more easily re-enter the

manufacturing process. Norway's DRS is also supported by law, ensuring it works equally for all parties involved. Running such a system through law also ensures there is no choice for retailers but to take part.

Giving a value to packaging by keeping it in a system such as DRS helps to reduce product going to landfill or ending up in the oceans, which is the problem consumers see most. However, it is not the Holy Grail for recycling PET, as some will inevitably still end up where it shouldn't. It is also important to highlight that it won't stop PET production, as there should always be vPET entering the system, although at a reduced rate. According to Haug, the recyclability of single-use plastic can be increased by adding 15–20% vPET into the system, since there will never be enough fresh rPET to produce high enough quality bottles.

It is clear all parties from consumers to retailers and manufacturers have sustainability high on the agenda, with initiatives and systems in place to further limit their impact on the environment. But the key to success over the coming months, as always, will be investment and education as well as support and understanding from local and national governments.

¹² Nielsen IQ RMS, Total Soft Drinks, Grocery Multiples, Value Sales to 01.01.22

¹³ Recycled plastics prices double as drinks makers battle for supplies", Financial Times 17.01.22

CATEGORY OVERVIEW

2021: ANOTHER YEAR OF DISRUPTION



TOTAL VALUE OF SOFT DRINKS SALES IN 2021: £15.29BN

DOWN FROM £16.47BN PRE-COVID (2019)¹

PERFORMANCE HEADLINES

Total grocery retail put in a stellar performance during an incredibly difficult year, ending 2021 at record levels with sales up 1.7% on 2020, reaching £179.1bn². This equates to an increase of 7.3% compared with 2019².

By all accounts, the figure would have been larger if it weren't for the myriad of supply chain issues faced by the sector during the brunt of the pandemic. The supply chain headache missed few categories and is believed to have caused over £2.5bn in lost sales³.

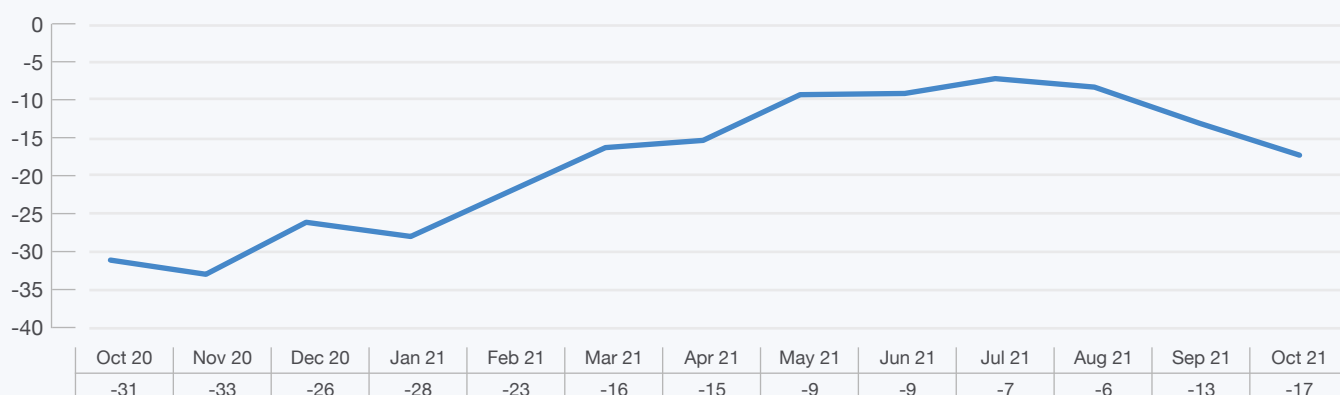
Despite logistical problems elsewhere, the soft drinks category grew ahead of total grocery retail, with value

and volume up 8.8% and 2.3% respectively compared with 2020⁴, marking a strong year for the category.

Anticipated recovery and the return of 'normal' shopping habits in 2021 were, however, hampered by lockdown extensions and unrelenting Covid restrictions. The first half of the year looked similar to much of 2020, with restrictions easing through the summer, however, returned in the run up to Christmas due to the arrival of Omicron. Despite the emergence of this new variant, Christmas sales reached more 'normal' states, marking another high for retailers with soft drinks value sales up 10.2% (+1.2% volume) in the four weeks to Christmas⁵.

FRAGILE ECONOMIC RECOVERY⁶

Index Score October 2020 - October 2021



Source: GfK Consumer Confidence Barometer (October 2021)

¹ NielsenIQ RMS, Total Coverage, 52 w.e. 25.12.21 Kantar Worldpanel, At Home Panel, Discounters & Online, 52 w.e. 26.12.21 CGA, Foodservice & Licensed, 52 w.e. 31.12.21

² NielsenIQ RMS, Total Store, Total Coverage inc Discounters, Britvic Defined, 52 w.e. 01.01.22

³ NielsenIQ OSA Barometer, 46 categories excluding Produce and Meat Fish & Poultry, in 5,170 stores across Top 4 supermarkets

⁴ NielsenIQ RMS, Total Soft Drinks, Value Sales, Grocery Multis, 52 w.e. 01.01.22

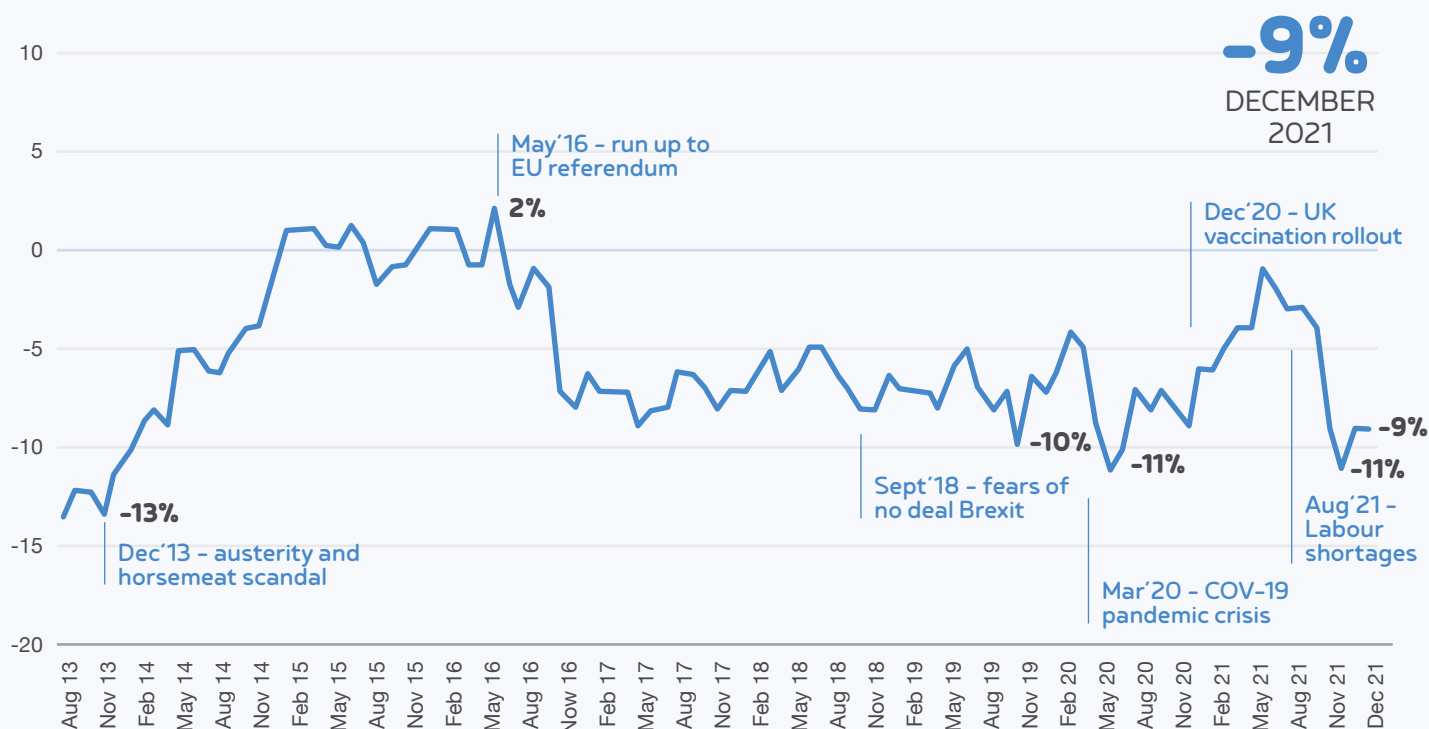
⁵ NielsenIQ RMS, Total Soft Drinks, Value Sales, Total Coverage, 4 w.e. 25.12.21

⁶ <https://www.gfk.com/en-gb/press/uk-consumer-confidence-takes-turn-for-worse-october-21>

As consumers welcomed in the New Year with news of a vaccine rollout, January 2021 brought hope of a return to some semblance of normality. Indeed, consumer confidence improved through the spring⁷ as vaccinations gathered pace, peaking in the summer as holidays abroad were approved by the government and some restrictions were lifted.

The confidence high was short lived, however, as August brought news of labour shortages which worsened through the autumn and led to a record 1.2 million job vacancies in the three months to November 2021⁸. A lack of people power began to affect supply chains, taking hold and causing a Covid consumer confidence low point in October 2021, equal to the dip in April 2020⁹.

IGD CONSUMER CONFIDENCE CHART⁷:



During this period, the divide between different shopper groups broadened as less affluent consumers felt the pinch more keenly than others. The more affluent (AB) socio-economic group registered -8 in December 2021 versus -15 for the less affluent (DE) group⁹. Older shoppers were also harder hit than younger ones, with 18-24s remaining largely optimistic¹⁰.

Going forward, confidence will be impacted by pricing, with 89% of shoppers (a six-year high) saying they expect food prices to become more expensive in the year ahead¹¹. As a result, less affluent shoppers in particular plan to focus more on saving money, than buying higher quality food and drink in the year ahead¹². This may lead to a K-shaped recovery, where the better-off find their disposable income increases and others find it is the opposite.

PROBLEMS WITH CONSUMER CONFIDENCE STEM FROM THE CHANGE IN WORKING PATTERNS, FLUCTUATIONS IN EMPLOYMENT AND LIMITATIONS IN WAYS TO SPEND MONEY DURING THE PANDEMIC, WHICH ALL RESULTED IN A FIFTH OF PEOPLE FEELING WORSE OFF AND ANOTHER 20% FEELING BETTER OFF¹³. SIGNS OF THIS ARE EVIDENT WHEN COMPARING TOP-LINE RETAILER PERFORMANCE FOR 2021.

7 GfK Consumer Confidence Barometer (October 2021) index score increased from -28 Jan '21 to -15 in April '21 and -9 in May '21, peaking at -7 in July '21

8 Changing Trends and recent shortages in the labour market, UK: 2016 to 2021, Office for National Statistics, 20.12.21

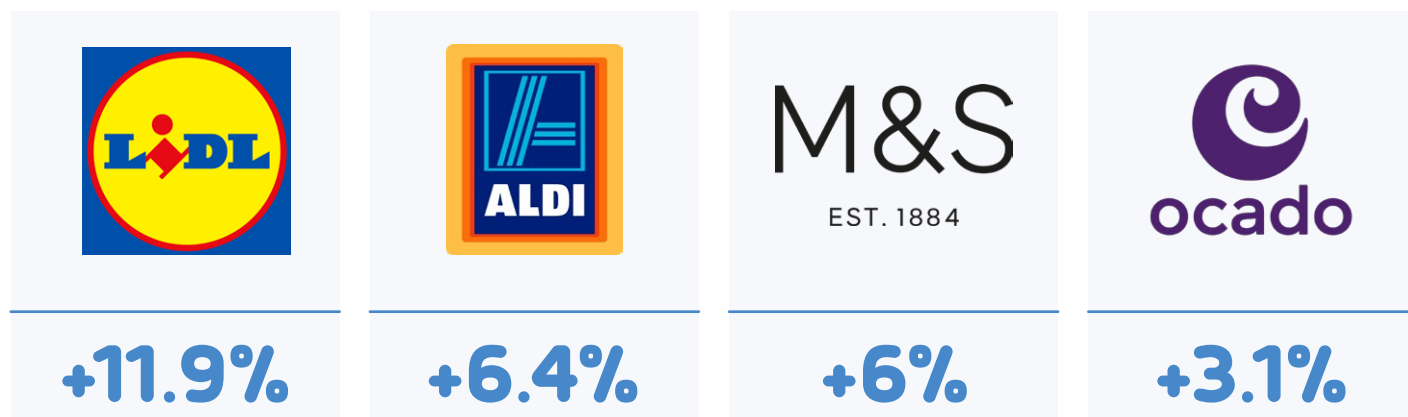
9 IGD Shopper Confidence index December 2021, Base: 1,000+ ALL shoppers, Dec '21

10 IGD Shopper Confidence index December 2021, Base: 1,000+ ALL shoppers, Dec '21, Shoppers with lowest confidence by age were 45-54 and 55+, both at -18

11 IGD Shopper Confidence Index, January 2022, Base: 1,000+ ALL shoppers, Jan '22

12 IGD Shopper Confidence index January 2022, Base: 1,000+ ALL shoppers, DE socio-economic group 17ppt difference between saving money vs focussing on quality

13 Lumina Intelligence Bespoke Eating Out Consumer Survey, May 2021

2021 SUPERMARKET SHARE GROWTH¹⁴:

After a year of mixed restrictions, FMCG value sales dropped by 0.9%¹⁵ overall. Broken down, grocery multiples lost 1.4ppt of value share to 58%, and convenience dipped 0.6ppt to 6%¹⁵. Discounters, meanwhile, grew share by 0.3ppt to 12% and value

retail grew by 0.1ppt to 6%, both recovering footfall from a quiet 2020¹⁵. Online consolidated its 2020 growth with further share increases in 2021, rising by 1.8ppt to 13% share¹⁵.

SOFT DRINKS SALES IN A STILTED REOPENING

Another national lockdown kicked 2021 off, seeing schools closed and employees encouraged to work from home where possible. The impact on retail at this time was similar to 2020, with online the key beneficiary. In April and May, convenience recovered its first lockdown losses.

It was not until 4th July that restaurants, cinemas and pubs were fully open. The extended restrictions had been hard for the on-trade, with 9,200 closures in the two years to March 2022¹⁷.

HOWEVER, TRADE COULD PICK UP RELATIVELY QUICKLY AS 50% OF CONSUMERS SAID THEY EXPECT TO VISIT THE OUTLETS MORE FREQUENTLY IN 2022¹⁸.



Step One of the Government's Reopening Plan in March 2021 saw schools re-open, and, at the end of the month, households were allowed to mix outside, including in gardens, creating more at-home consumption opportunities. As a result, take-home soft drinks sales remained at 2020's elevated levels. Grocery also benefitted from the on-trade's continued closure until 12th April, when Step Two allowed pub gardens to re-open. Retail, and in particular the grocery channel, benefitted from a greater number of at home occasions than in a normal year.

Further easing in June and July paved the way for those holidaying at home to eat and drink out, building up to an autumn resembling normality. Grocery retail had a record week for soft drinks sales at the end of July, with the biggest ever value and volume up until this point, beaten only by Christmas week later that year¹⁹. As sales of food and non-alcoholic drinks consumed out of home reached near pre-pandemic levels in the latter half of 2021, spend on at home consumption remained higher, leading to net growth overall²⁰. The pandemic saw millions of occasions switch from on-trade to in-home, benefitting grocery retail. The on-trade's slow recovery was driven by higher value transactions, but in-home's volume remains elevated and it is expected the markets will rebalance in 2022.

¹⁴ NielsenIQ RMS, FMCG, value share of trade & value % change vs YA, 52 w/e 01.01.22

¹⁵ Kantar FMCG data 52 w.e. 26.12.21

¹⁶ NielsenIQ RMS, Total Soft Drinks, Total Impulse, Value Sales, 8 w.e. 15.05.21 vs 8 w.e. 16.05.20 vs 8 w.e. 18.05.19

¹⁷ CGA Market Recovery Monitor April 2022

¹⁸ CGA Global Reach Survey 2021

¹⁹ NielsenIQ RMS, Total Soft Drink Value Sales, Total Coverage, 1 w.e. 25th July 2021, compared with individual weekly sales over prior 3 years and; 1 w.e. 26.12.21 with weekly sales over prior 3 years

²⁰ Kantar FMCG and OOH purchase panels 12 w.e. 26.11.21 vs 12 w.e. 29.12.19, OOH transactions -12% & Spend per trip +9%, Take Home transactions -6% and spend per trip +17%

As 2022 began, and the Omicron wave started to subside, the 'work from home' advice was lifted and people started to return to work, with London workplaces

38% less busy than pre-pandemic, compared with a 75% drop at the beginning of April 2020²¹.

CHART OF GOOGLE COMMUNITY MOBILITY REPORT²¹:

% change in time spent at different locations vs. baseline - 7 day rolling average

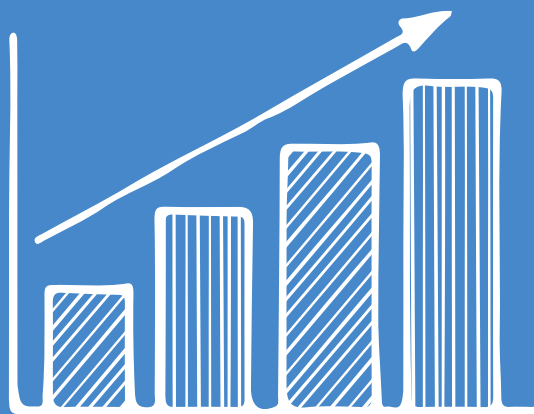


While it is expected Covid-19 will continue throughout 2022 and likely beyond, offices have hit their highest occupancy levels since the pandemic began²². Office attendance is unlikely to change significantly, as a third of urban adults believe they will continue working at

home in the long-term²³. This will have clear implications for city centres, which may experience lower mid-week footfall, especially those outlets near offices. Conversely, suburban areas and small high streets may well see a corresponding benefit into the medium to long-term.

COST OF LIVING CRISIS AFFECTS CONSUMER SENTIMENT

In terms of the issues faced by consumers in the last two months of 2021, 56% cited increases in food and drink prices ahead of concerns around energy (51%) and fuel bills (50%)²⁴. Inflation, a looming threat during the first half of 2021, took hold in the second half with prices rising faster (+5.4%) than wages (+3.6%) between October–December 2021²⁵. This led to a real-term fall in income of 0.8%²⁶, versus a year earlier, and will be exacerbated by an increase in the NI rate, hitting middle- and low-income families in 2022. In addition, shortages of supplies on-shelf became an issue during 2021, and the outlook for inflation in 2022 suggests worse is to come. It is perhaps therefore not surprising that almost one in five UK households already feel under financial pressure²⁷.



²¹ Google COVID-19 Community Mobility Report, GB Greater London, 7 February 22 compared to baseline, which is calculated from the median value for the corresponding day of the week, during the five week period 3 Jan – 6 Feb 2020.

²² "Return to UK offices hits highest since pandemic began" <https://www.ft.com/content/e0c3ebc5-12cc-41f8-943b-639dff0b2fac>

²³ NIQ Consumer Outlook 2022 Survey, Dec 2021

²⁴ Mintel COVID-19's impact on British consumers: 29 December – 5th January, "Issues consumers have faced in the last 2 months", 677 respondents 16+ in employment

²⁵ ONS, October – December 2021, regular wages excluding bonuses, absolute

²⁶ ONS, October – December 2021, regular wages excluding bonuses, adjusted for inflation

²⁷ Kantar Worldpanel division LinkQ, November 2021. 14% said they were just making ends meet and 3% said they had insufficient income to cover expenses.

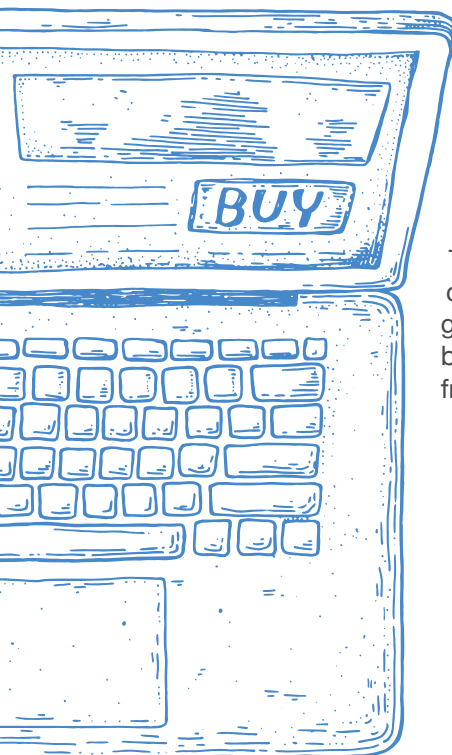
ONLINE HAS A NEW BASELINE

ONLINE SHOPPING'S GROWTH IN 2020 WAS DRIVEN BY A COMBINATION OF NEW AND EXISTING SHOPPERS DIVERTING A GREATER SHARE OF THEIR SPEND TOWARDS THE CHANNEL²⁸.

As a result, online grocery sales jumped ahead of previous growth trajectories, adding 5ppt of share in the first half of the year²⁸. This is equal to the channel's growth in the 12 years to January 2020²⁸.

Despite Covid-19 transmission anxiety among consumers declining in 2021, the online channel retained the majority of its new shoppers. For soft drinks, this helps to explain why 14.8% of value is now sold through

the online channel²⁹. Almost half (47%) of consumers said they were shopping more online since the pandemic began and 14% were using Click & Collect more than before³⁰. This is not surprising, considering 59% of the growth in total grocery between 2019–2021 came from ecommerce³¹.



Britvic, for example, has seen a significant uplift in online retail sales across all brands, showing an increase of 6.6ppt from 13.7% in February 2020 to 20.3% in February 2022³². Fruit Shoot³² in particular has benefited, having the highest participation from online, with 23.3% of sales coming through digital.³²

Consumers' digital grocery baskets are often highly thought out, with 65% of shoppers planning most of what they will buy in advance³³. Online's growth is therefore an opportunity for soft drinks, especially as large bottles and multipacks tend to find their way into online baskets for practical reasons³⁴. In a convenience store, 50% of carbonated soft drinks are picked up away from the product's primary location, indicating an impulse purchase, 24% of soft drinks are bought from the chiller and 24% from the main product shelf³⁵. This means suppliers and retailers will need to find new ways to drive sales trial with those harder-to-reach online shoppers.



42%

OF HOUSEHOLDS
PLANNING TO CONTINUE
SHOPPING ONLINE³⁶

28 Kantar FMCG Take Home panel, Online Channel share of Grocery Retail, Total Packaged Goods, data to 12.07.20. Online grew from 3% value share in 2008 to 8% in Jan 2020, then to 13% by July 2020

29 Kantar FMCG Take Home panel, Online Channel share of Grocery Retail, Total Soft Drinks, data to 20.02.22

30 Mintel COVID-19's impact on British Consumers: 29th December – 5th January 2021, Changes in shopping Habits

31 Kantar FMCG Take Home panel, data to 52 w.e. 26.12.21

32 Kantar Worldpanel, Total Soft Drinks, Total Online Vs Grocery Multis exc. Co-Op, Value Sales, 52WE 20.02.2022

33 Impulse Online Best Practice, IGD, June 2021

34 Kantar FMCG Panel, 52 w.e. 23.06.21. Online trips vs Grocery in-store trips, Soft Drinks value spend is 20% higher in equivalent sized online baskets, comprised of 12% bigger packs, 7% more packs and 1% higher price per litre.

35 Lumina Intelligence Convenience Tracking Programme, Key Consumer Trends Post Lockdown, data collected 28 w.e. 24.05.21

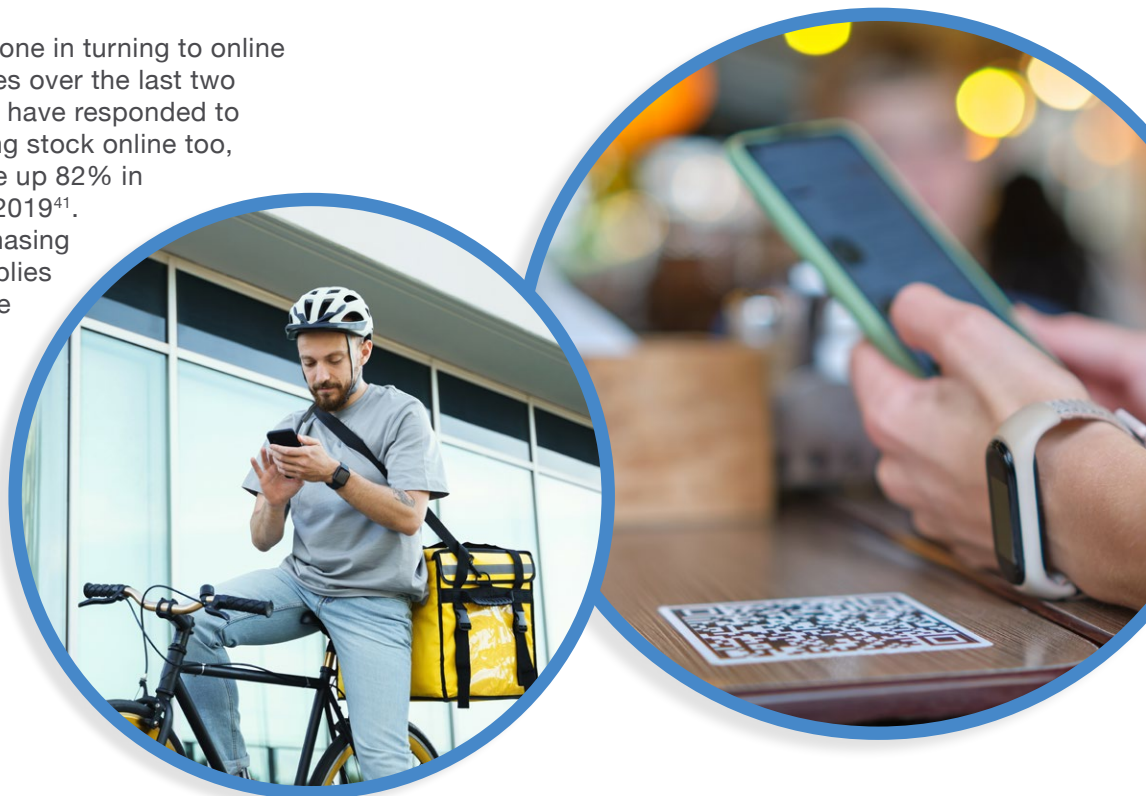
'Traditional' online grocery continues to consolidate at its new level, with 42% of households planning to continue shopping online³⁶, equating to an 18.5% share of total coverage³⁷. The knock-on effect for soft drinks is a value uptick of 11.8% compared with 2018³⁷.

Although, traditional online growth will slow, as 46% of shopping trips in the grocery channel contain 20 items or fewer³⁶, meaning they are less likely to be pre-planned, which is online's key strength. Hence, the next slug of growth is likely to come from new entrants to market in the rapid delivery sector, designed to cater specifically to shoppers' immediate needs. Currently, rapid delivery is a small part of e-commerce, as only 9% of households used it in the last three months, and only 2% use it regularly³⁸.

However, 78% of UK quick commerce shoppers say they will continue to use rapid delivery for food and groceries in the future³⁹. This should benefit the convenience channel in a similar way to grocery's online gains in the last two years. It will also be a sizeable opportunity for soft drinks, almost a fifth of which are bought in small baskets⁴⁰. It is anticipated the 'For Tonight' shop will feature prominently within this new space, meaning retailers would benefit from offering suitable adult-oriented soft drinks as part of bundles or meal deals through these delivery aggregators.

Although, shoppers aren't alone in turning to online methods for ordering supplies over the last two years. Convenience retailers have responded to the new demands by ordering stock online too, with wholesale's digital value up 82% in summer 2021 compared to 2019⁴¹. Some 34% of retailers purchasing soft drinks only, bought supplies via their wholesaler's website (4% by mobile apps)⁴².

PUBS AND RESTAURANTS ALSO ADOPTED ONLINE AND APP-BASED ORDERING SYSTEMS IN RESPONSE TO COVID RESTRICTIONS. YOUNGER CONSUMERS ARE THE MOST LIKELY TO USE THESE, WITH 18-34-YEAR-OLDS SAYING APP ORDERING IS THEIR PREFERRED METHOD IN OUTLET⁴³. 35-44-YEAR-OLDS SAID IT WAS THEIR SECOND PREFERRED CHOICE⁴³, DEMONSTRATING THESE METHODS SHOULD REMAIN IN USE ONCE THE PANDEMIC IS CONSIDERED TO HISTORY. IT'S KEY TO ENSURE THAT SOFT DRINKS ARE INCLUDED ON ORDERING APPS AND MENUS IN AN ENTICING WAY, TO ENSURE OPERATORS TRADE GUESTS UP INTO MORE PROFITABLE SERVES INSTEAD OF TAP WATER.



³⁶ NielsenIQ RMS Homescan Survey 2021

³⁷ Kantar FMCG Panel, Total Soft Drinks, Total Online Value share of Total Coverage, 52 w.e. 26.12.21

³⁸ Kantar FMCG Panel, Total Packaged, 52 w.e. 26.12.21

³⁹ IGD ShopperVista, 136 quick commerce users, 14-16 May 2021, IGD Retail Analysis: The Future of Quick Commerce

⁴⁰ Kantar FMCG Panel, 12 w.e. 3rd Oct 21. 18.6% of soft drinks value features in baskets of 10 items or fewer

⁴¹ Lumina Intelligence Wholesale Online Report, October 2021

⁴² Lumina Intelligence Wholesale Category Activation Bespoke Interviews – Confectionery, Biscuits, Soft Drinks, April 2021

⁴³ Lumina Intelligence UK Restaurant Market Report, 2021-22

SEGMENT PERFORMANCE: SUSTAINED GROWTH FROM THE NEED FOR ENERGY

Stimulants outperformed the market in 2020, growing by +28% compared to +8.6% growth for total soft drinks⁴⁴. This is despite 80.7% of the segment being in single serve⁴⁵, a format which for total soft drinks declined that year by -13.3%⁴⁶, due to shoppers remaining at home. This continued in 2021, with stimulants overtaking cola to become the biggest soft drinks segment in the convenience channel, growing by +19.6% to £656m⁴⁷. Overall, stimulants grew +19.8% to £1.12bn, making it the second largest segment behind cola, which grew by +4.8% to £2.27bn⁴⁸, held back by full-sugar cola, which grew more slowly at +3.2%⁴⁸.

In contrast to stimulants, which performed strongly in both 2020 and 2021, some of the other strong performing categories fared less well in 2021, compared to 2020, as they lapped the strong lockdown performance: Traditional Mixers (-5.6% vs LY, having grown at +16.5% the previous year), Lemonade (-7.0% in 2021, vs +5.9% in 2020) and Squash (-4.7% in 2021 vs +7.7% in 2020), although all three segments remained larger in 2021 than they had been in 2019⁴⁸.

The stimulants category could continue its impressive run of growth by broadening its appeal, as it is currently bought in the main by young, male shoppers⁴⁹. These are valuable

consumers, spending considerably more in the take-home category compared with the average shopper⁵⁰. Although a large segment, there is room for growth by broadening the segment's appeal to more consumers, which is currently only being bought by one in three UK households⁵¹. Sugar reduction is also a focus within this segment, as Rockstar reformulates its core range to be HFSS compliant, while its original flavour offers a full and no sugar option.

Cola, a segment that could be said to have a much broader appeal, while also delivering against a need for energy, grew across both pandemic years. The segment saw growth of 8.6% in 2020, followed by a rise of 4.8% in 2021⁵². Innovation continues within the cola segment too, driving up interest with new flavours, especially with the launch of Pepsi MAX™ Lime in 2021.

ICED COFFEE AND ICE
TEA, HAS GROWN BY

+47.3%

SINCE 2019⁵³.



HEALTH

The importance of health is represented by the addition of 2.5m adults who have started to track fitness in addition to the 16m who already did⁵⁴ prior to the pandemic. Upcoming HFSS legislation provides a significant challenge for retailers and operators, some of whom will have to make significant changes to the way they promote their products and lay out their stores. IRI estimates the impact of this legislation could be as much as £991m⁵⁵ to affected categories, so careful planning to mitigate this risk is essential. The soft drinks category, worth 41% of total impulse⁵⁶, is ideally placed to help retailers plug this gap, having already evolved in recent years to cope with the Soft Drinks Industry Levy. In fact, 78.8% of spend on soft drinks is already HFSS compliant⁵⁷, which means soft drinks can drive incremental sales from promotional feature space that other impulse categories can't.

78.8%

OF SPEND ON SOFT
DRINKS IS ALREADY
HFSS COMPLIANT⁵⁷

44 NielsenIQ RMS, Total Soft Drinks & Britvic Defined Stimulants, Total Coverage, 52 w.e. 01.01.22

45 NielsenIQ RMS, Britvic Defined Single Serve Stimulants Value Sales as proportion of Britvic Defined Stimulants, 52 w.e. 02.01.21

46 NielsenIQ RMS, Britvic Defined Single Serve Soft Drinks Value sales growth, 52 w.e. 02.01.21 vs prior year.

47 IRI Marketplace, Soft Drinks Value Sales vs LY & 2YA, 52 w.e. 26.12.21

48 NielsenIQ RMS, Total Coverage, Britvic Defined Soft Drinks Segments, Value Sales, 52 w.e. 25.12.21

49 Kantar Worldpanel, Usage Panel, Take Home/Carried-out, Britvic-defined Stimulants sector, 52 w.e. 20.02.22, users are 65.9% male vs 39.5% for total soft drinks, overindexing with under 44 year olds.

50 Kantar Worldpanel OOH Panel, All Stores, Britvic-defined Stimulants sector, 52wk data to 8th Aug 2021 & Kantar Worldpanel, Take Home panel, All Stores, Britvic-defined Stimulants sector, 52wk data to 8th Aug 2021

51 Kantar Worldpanel Take Home panel, Total Stores, Britvic-defined Stimulants sector, 52 w.e. 23.01.22

52 NielsenIQ RMS, Britvic Defined Cola, Value Sales, 52 w.e. 01.02.22

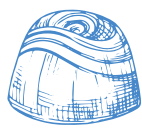
53 NielsenIQ RMS, Britvic Defined Cold Hot Soft Drinks, Value Sales, 52 w.e. 01.02.22

54 Kantar ComTech panel, Q1 21 vs Q1 20

55 IRI HFSS Analysis, Grocery Multis, Value sales modelling incremental sales of HFSS-rated FMCG products by the soon to be restricted in store promotion mechanics (volume promotions, location promotions), 52 w.e. 04.12.21

56 Kantar Total Food & Drink, % Spend on HFSS products, 52 w.e. 21.02.21

57 Kantar FMCG Panel, Total Food & Drink % Spend HFSS, 52 w.e. 20.02.22. Total Food & Drink average HFSS compliant spend in the same period was 59.6%

HFFS COMPLIANCE⁵⁸:

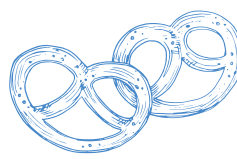
2.7%

OF CONFECTIONERY
SPEND IS
COMPLIANT

4.1%

OF BISCUITS
SPEND IS
COMPLIANT

5.2%

OF ICE CREAM
SPEND IS
COMPLIANT

9.8%

OF SAVOURY
SNACKS SPEND IS
COMPLIANT

19.1%

OF CAKE SPEND
IS COMPLIANT

The macro health trend has grown in importance in recent years⁵⁹, with increasing media and government focus on obesity as the main cause of poor health. There are signs that the upheaval of 2020, where some shoppers switched to full-sugar drinks to treat themselves during a difficult time, may be in reverse. Some 85% of people are now prioritising a form of healthy eating, either by reducing sugar (27% of people) or drinking more fluids (25%), which are the second and third most important health focuses after eating more fruit and veg, at 32%⁶⁰. Indeed, sugar remains a prevalent concern when choosing soft drinks, with 55% of consumers saying they have reduced fruit juice or smoothie consumption due to sugar intake concerns⁶¹, while the number one factor when choosing one soft drink over another is because it is low in sugar⁶².

Although 37% of Brits say they eat healthily either all the time or most of the time, this figure rose to 51% in April last year⁶³. This was particularly the case with those claiming to eat reasonably healthily while also enjoying less healthy treats more regularly⁶³.

THIS INDICATES THAT THE STRESSES OF THE PANDEMIC HAVE LED SOME TO REPRIORITISE OR, TEMPORARILY AT LEAST, REASSESS THE PAYOFF BETWEEN HEALTH AND ENJOYMENT.

This is an opportunity for categories that find it easier to replicate the taste of a less healthy product in a healthier alternative, including soft drinks.

During the pandemic, the impulse channel has seen something of a revival in sugar-sweetened drinks, as sales of regular cola increased their share versus low and no sugar⁶⁴, although this trend was not reflected in the grocery channel, where no and low sugar cola accounts for a greater share (76% of volume) now than it did before the pandemic (73.4%)⁶⁵, suggesting the switch in Impulse may have been driven by other factors, such as availability, rather than a reappraisal of health priorities.



58 Kantar Total Food & Drink, % Spend on HFSS products, 52 w.e. 20.02.22

59 NielsenIQ Homescan survey, November 2021

60 IGD ShopperVista Health, nutrition and ethics monthly shopper update – December 2021

61 Mintel Fruit Juice, Juice Drinks and Smoothies - UK - January 2021

62 Mintel Soft Drinks Review - UK – June 2021

63 IGD Shopper Vista, Health, nutrition and ethics tracking data, December 2021

64 NielsenIQ RMS, Total Impulse, Britvic-defined Regular Cola Value Sales as % of Total Cola, 48.8% in 12 w.e. 28.03.20 vs. 50.9% in 12 w.e. 20.06.20

65 NielsenIQ RMS, Grocery Multis, Volume Sales, Britvic Defined Regular Cola Vol % of Total Cola, 52 w.e. 26.03.22 vs 2 years earlier.

Attitudes to health are constantly evolving and the trials of the last two years have also raised awareness of mental health issues, with consumers quoting physical wellness (53%) and mental wellness (49%) as being more important to them in the next 12 months⁶⁶.

IN FACT, NEARLY TWO IN THREE AGREE THAT 'WHAT YOU EAT HAS A DIRECT IMPACT ON EMOTIONAL WELLBEING'⁶⁷.

This is something that, although at opposite ends of the energy spectrum, both stimulants and CBD drinks (worth £600K, +99.2%)⁶⁸ could benefit from.



Other consumers, however, are looking to elements of their diet to provide more functional health benefits⁶⁹. Almost half (48%) of households say health properties/health enhancing benefits are important when buying food and drink⁶⁹. As a result, the nascent wellness soft drinks category is now growing at 22.8%⁷⁰. For example, gut health, one of the smaller segments of this area, is growing even faster at 35.6%⁷¹.

WITH SHOPPERS ATTACHING SUCH HIGH IMPORTANCE TO MAINTAINING A HEALTHY DIET AND LIFESTYLE, THE CHALLENGE IS ON SUPPLIERS AND RETAILERS TO MAKE IT EASY FOR THEM TO DO SO.

Indeed, almost one in four (23%) attribute 'being creatures of habit' as a barrier to eating more healthily, and almost one in five (18%) say that 'lack of convenience' is a barrier⁷². Others are reducing their sugary drink intake rather than ruling them out altogether. As a result, half of consumers claim to drink both full-sugar and low/no sugar carbonated soft drinks⁷³. It is not yet clear why this is the case, but it could be that consumers are in search of balance when consuming several soft drinks throughout the day. In any case, soft drinks are the number one category for shoppers when looking to cut down on sugar⁷⁴.

Although taste and enjoyment are the key reasons for choosing a soft drink⁷⁵, 65% of consumers would drink more carbonated soft drinks if they provided added health benefits⁷⁶. However, 63% agree it is difficult to know whether products that claim to have health benefits make a difference to their health⁷⁷. One in four believe food and drinks that claim specific benefits don't deliver on what they promised⁷⁷, demonstrating that any claimed benefits must be, at a minimum, independently verifiable.

66 NielsenIQ Consumer Outlook 2022 Survey, December 2021 Q: "What areas, if any, will be more important to you over the next 12 months?"

67 Mintel Attitudes towards healthy eating - UK - February 2021

68 NielsenIQ RMS, Britvic Defined CBD drinks, Value Sales & growth, 52 w.e. 25.12.21

69 NielsenIQ Homescan survey, November 2021

70 NielsenIQ RMS, Britvic defined Wellness segment, value YoY increase, 52 w.e. 25.12.21

71 NielsenIQ RMS, Britvic defined Gut Health sector of Britvic defined Wellness segment, value YoY increase, 52 w.e. 25.12.21

72 IGD Eating more fruit and vegetables tops the list of shopper health priorities, July 2021

73 Mintel Carbonated Soft Drinks - UK - 2022 Report, 49% of adults drink both non-diet and diet/low sugar carbonated drinks during Aug-Sep 2021

74 NielsenIQ Homescan survey, November 2021 "In which of the following types of food and drink are you specifically looking to reduce the sugar you consume?" Soft Drinks was top of list for respondents.

75 Kantar Usage Panel, Total Soft Drinks, Why Consumed, "Enjoy the taste" is no 1 reason, 52 w.e. 20.02.22

76 Mintel Carbonated Soft Drinks Report 2022, pp 14-15

77 Mintel Attitudes towards healthy eating - UK - February 2021

THE OUTLOOK FOR PREMIUM

Over the last two years, the large macro switch from 'out-of-home' consumption occasions to 'in-home' has increased some consumers' readiness to spend more on what they eat and drink, from restaurant meal boxes through to takeaways, as one in three consumers say that post-pandemic, it is now more important that their drinks are high quality⁷⁸. The rise in the at-home consumption occasions over the course of the pandemic has led to an increase in the popularity of premium, with adult soft drinks growing 14.7% in the last year⁷⁹. This is an example of consumers' willingness to spend more on a treat occasion intersecting with the trend for alcohol moderation, which is also evident in the fact that over half of mixers are drunk without alcohol⁸⁰.

In common with other impulse categories (crisps, snacks & nuts and biscuits), premiumisation has driven the bulk of price growth in soft drinks, with 62% of the growth in average price being due to product choice, rather than increasing shelf price⁸¹. This may come under pressure as inflation continues.

MAINSTREAM AND VALUE BRANDS REMAINED IN GOOD HEALTH THROUGHOUT THE PANDEMIC AND CONTINUE TO SEE STRONG VOLUME SALES. HOWEVER, CONSUMERS SOUGHT TO TREAT THEMSELVES MORE DURING LOCKDOWNS, WHICH CONTRIBUTED TO THE GROWTH OF PREMIUM⁸².

When forgoing a meal in a restaurant to instead 'dine out' at home, it could be seen as affordable to trade up to premium brands. Nearly two in three consumers agree Covid-19 has helped them to realise they need to live in the moment more⁸³, so there is an opportunity to increase premium drinks sales for consumption both at home and in the licensed channel, with brands including London Essence and J2O.

Although people have been eating and drinking out less than before the pandemic, they are spending more when they do go out. For example, total transactions are down by 12%, but spend per transaction is up 9%⁸⁴. In this scenario, on-premise benefits the most with an increase in spend of 27%⁸⁴. For those increasing spend on eating and drinking out, 36% are doing so to treat themselves⁸⁵.



78 CGA Global REACH Survey March 2021, 33% state it is now more important that their drinks are high quality, the no. 1 factor of increased importance.

79 NielsenIQ RMS, Britvic Defined Adult Soft Drinks, Total Coverage, Value Sales, 52 w.e. 01.01.22

80 Kantar Worldpanel, At Home usage panel, Britvic-defined Mixers, Based on weighted serving occasions, 52 w.e. 21.03.21

81 NielsenIQ RMS Data 52 w.e. 01.01.22, Total Soft Drinks, Average Price Increase (£/vol) +6.9%, 62% of which was Item Mix and 38% Item Price

82 Branded premium growing at +15.8% and branded value at +14.0%, vs branded mainstream at +0.1%, Britvic defined value tiers, Nielsen IQ Scantrack data to 01.01.22

83 Mintel Priority Shift - The changing consumer attitudes towards value - May 2021

84 Kantar OOH Purchase Panel, 12 w/e 26.12.2021 vs 12 w/e 29.12.2019

85 CGA BrandTrack October 2021

YEAR IN NUMBERS

£182m

OF SOFT DRINKS
SALES ADDED TO
CONVENIENCE
IN 2021. THE
CATEGORY IS NOW
VALUED AT

£2.48
BILLION¹



PETROL MULTIPLES
WERE THE BIGGEST
DRIVERS OF SOFT
DRINKS IN
PERCENTAGE
GROWTH, UP

+16%

YEAR-ON-YEAR AND

+22%
VS 2020

TOTAL HIGH STREET
SOFT DRINKS VALUE
SALES ROSE

+3%
AND TRAVEL BY
+42%³

THE CHANNELS ARE

-17%
AND
-49%
DOWN ON 2020 LEVELS
RESPECTIVELY³

SYMBOLS AND
INDEPENDENTS WERE
THE SECOND BIGGEST
DRIVERS, RISING

+11%
VS 2021

+16%
VS 2020²

STIMULANTS TOOK OVER COLA AS THE BIGGEST
CATEGORY IN VALUE SALES⁴. THE TOP FIVE SOFT
DRINKS CATEGORIES IN CONVENIENCE ARE⁴

STIMULANTS

COLA

FRUIT
CARBONATES

PLAIN
WATER

JUICE
DRINKS

THE TOP FIVE SOFT
DRINKS CATEGORIES
ADDED

£221m

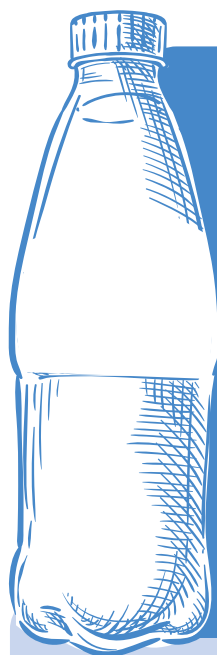
IN VALUE SALES TO
THE CONVENIENCE
CATEGORY IN 2021⁴

¹ IRI - Total Convenience - Total Soft Drinks Britvic Defined - Value Sales - 52WE 23/01/22 vs LY and vs 2YA

² IRI - Symbols and Independents & Roadside Petrol Multiples - Value Sales - 52WE 23/01/22 vs LY vs 2YA

³ IRI - High Street and Travel - Value Sales - 52WE 23/01/22 vs LY vs 2YA

⁴ IRI - Total Convenience - Total Soft Drink by category - Value Sales - 52wks to 23/01/22 & 52wks to 24/01/21



Coca-Cola
EUROPACIFIC
PARTNERS

REMAINS THE NUMBER
ONE SOFT DRINKS
MANUFACTURER
IN THE CONVENIENCE
CHANNEL, WITH

BRITVIC

AT NUMBER TWO⁵

RED BULL HAS RETAINED THE NUMBER
THREE POSITION AFTER OVERTAKING
SUNTORY BEVERAGES IN 2020⁵

STIMULANTS BUILT ON
IMPRESSIVE 2020 VOLUME
GROWTH, RISING BY

+21%

AND INCREASING VALUE BY

£116m⁷

Red Bull®



ENERGY DRINK

IS NOW THE NUMBER
ONE SUB-BRAND IN THE
CONVENIENCE CHANNEL,
OVERTAKING

Coca-Cola⁶
EUROPACIFIC
PARTNERS



REMAINS THE THIRD
LARGEST SUB-BRAND IN
CONVENIENCE, WORTH

£125.6m

IN VALUE SALES AND
ADDING £5 MILLION
OVER THE PAST YEAR⁶

ON THE GO⁸ AND FOOD TO GO
MISSIONS⁸ RECOVER WHILE
TAKE HOME OCCASIONS
DECLINE⁸ AS COVID
RESTRICTIONS EASE

FLAVOURED CARBONATES⁹ AND COLAS¹⁰ GROWING BUT SQUASH SALES
FALL¹¹ AS CONSUMERS RETURN TO OUT OF HOME CONSUMPTION

5 IRI – Total Convenience – Total Soft Drink by Manufacturer – Value Sales – 52WE 23/01/22 vs YA & 2YAGO

6 IRI – Total Convenience – Total Soft drink by Sub-brand Britvic Defined – Value Sales 52WE 23/01/22

7 IRI – Total Convenience – Total Stimulants – Value Sales – 52WE 23/01/22 vs 52WE 20/01/20

8 Lumina Intelligence CTP Q4 2021 vs 2020

9 IRI – Total Convenience – Total Fruit Carbs, Immediate and Deferred Britvic Defined – Value Sales – 52WE 23/01/22 vs LY & 2YAGO

10 IRI – Total Convenience – Total Cola – Value Sales % Change vs LY – 52WE 23/01/22 vs LY

11 IRI – Total Convenience – Total Squash Britvic Defined – Value Sales 52WE 23/01/22 vs LY

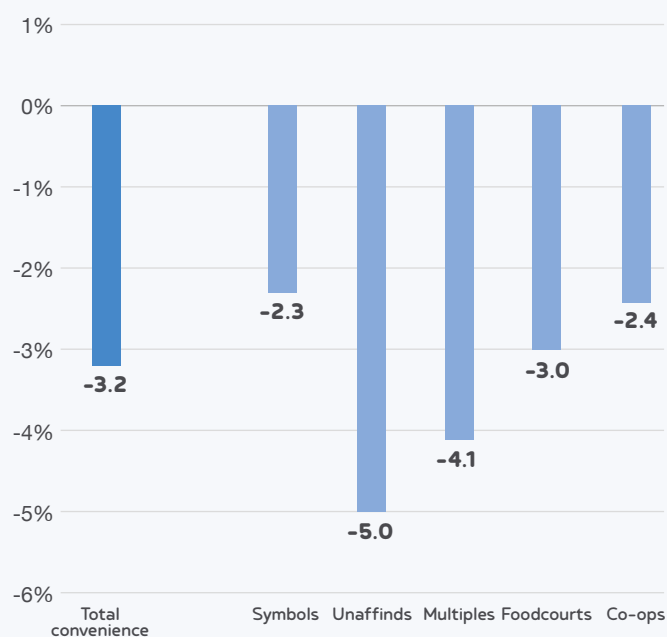
CONVENIENCE CATEGORY OVERVIEW

LOCAL STORES STAND FIRM AS SHOPPING HABITS 'NORMALISE' POST-PANDEMIC

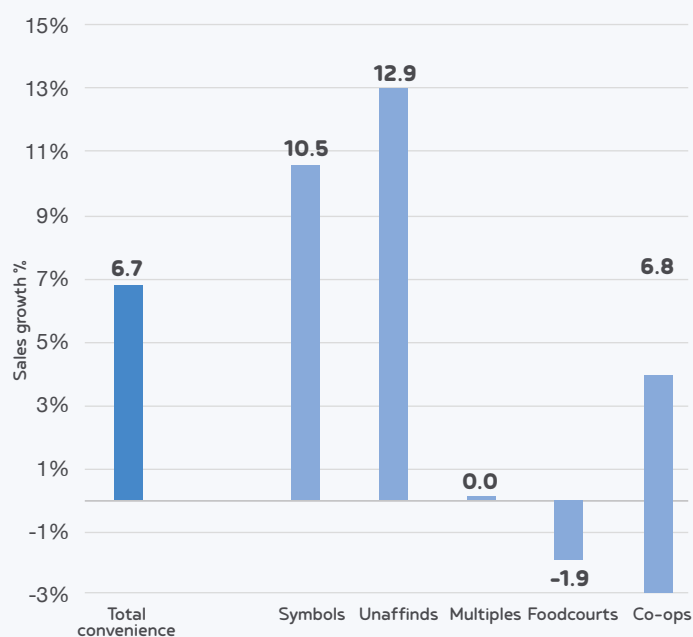
Convenience's market value stood at £44.47 billion in 2021, up by +1.5% and continuing to build on the strong performance seen throughout the previous year.¹²

However, after exceptional levels of sales growth in the first half of 2020 (+10.7%), the convenience sector faced some steep comparisons to 2021, with channel sales declining -3.2% in the first six months.¹³

CONVENIENCE CHANNEL SALES GROWTH H1 2021



TWO-YEAR SALES GROWTH: H1 2021 VS H1 2019



IGD Research 'The UK convenience market 2021'

¹² Lumina Intelligence – UK Convenience Market report 2021 – July 21

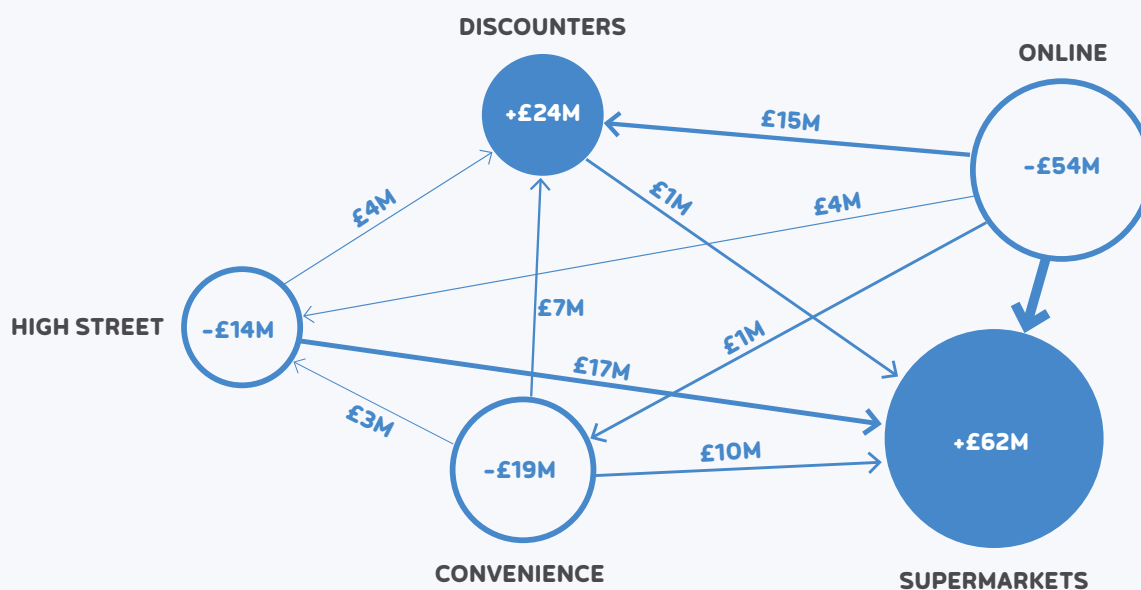
¹³ IGD Research 'The UK convenience market 2021'

Of the sub-channels within convenience, unaffiliated independents saw the sharpest decline (-5.0%) followed by multiples (-4.1%) according to IGD data¹³. However, independents remain in growth when comparing figures to pre-pandemic levels (+12.9%).¹³ Both symbols (-2.3%) and co-ops (-2.4%) achieved a performance ahead of the total convenience market (-3.2%), indicating a greater resilience in maintaining their gains from 2020.¹³

With the easing of Covid restrictions across the year, many consumers began returning to their pre-pandemic shopping habits. The last few months of 2021 saw shoppers begin moving back into grocery and discounters as they become less cautious about visiting larger shops. A total of £7 million in spend switched from convenience to discounters, while £10 million switched from convenience to supermarkets during this time.¹⁴

THE BIGGEST MOVEMENT OF SPEND WAS TO THE SUPERMARKETS (+£62M)¹⁶

DISCOUNTERS ALSO BENEFITTED (+£24M) AS ONLINE SAW -£54M IN SWITCHING LOSSES YOY



Kantar Worldpanel Online – Grocery Retail Christmas Viewpoint 2021 – Switching between Channels 4WE Year-on-Year 26 Dec 21 vs 27 Dec 20

This had an adverse effect on the convenience channel, with top up shopping declining from 46% in January to 33% in October.¹⁵

Despite this loss of shoppers versus the previous year, convenience channel penetration remained heightened compared to pre-pandemic levels, with over two thirds (67%) of shoppers visiting convenience stores every week in 2021.¹⁶ Consumers continued to visit convenience stores more frequently – twice a week on average – although this represented a slight fall from a peak of 2.2 times per week seen throughout 2020.¹⁶

In addition, the lingering impact of Covid meant many shoppers continued to shy away from the office, instead choosing to work and shop more locally. This, paired with ‘support local’ campaigns, benefitted the convenience

industry.¹⁶ The vaccine rollout and booster rollout also appeared to increase confidence among shoppers, especially older consumers. Shortly after the end of the Covid shielding programme on 15th September 2021, data from the Office of National Statistics found 94% of clinically extremely vulnerable (CEV) people had left the home between 11th October to 16th October 2021 – an increase on the 89% of CEV people who left their home between 17th and 22nd May 2021.¹⁷ Most notably, trips to newsagents and independents increased last year, with older consumers who are more commonly on this mission picking this routine back up.

These factors, and the fact that the channel slackened markedly in the H2 2020, saw the convenience channel as a whole recover in the second half of 2021 and deliver small full year growth.¹³

¹⁴ Kantar Worldpanel Online – Grocery Retail Christmas Viewpoint 2021 – Switching between Channels 4WE Year-on-Year 26 Dec 21 vs 27 Dec 20

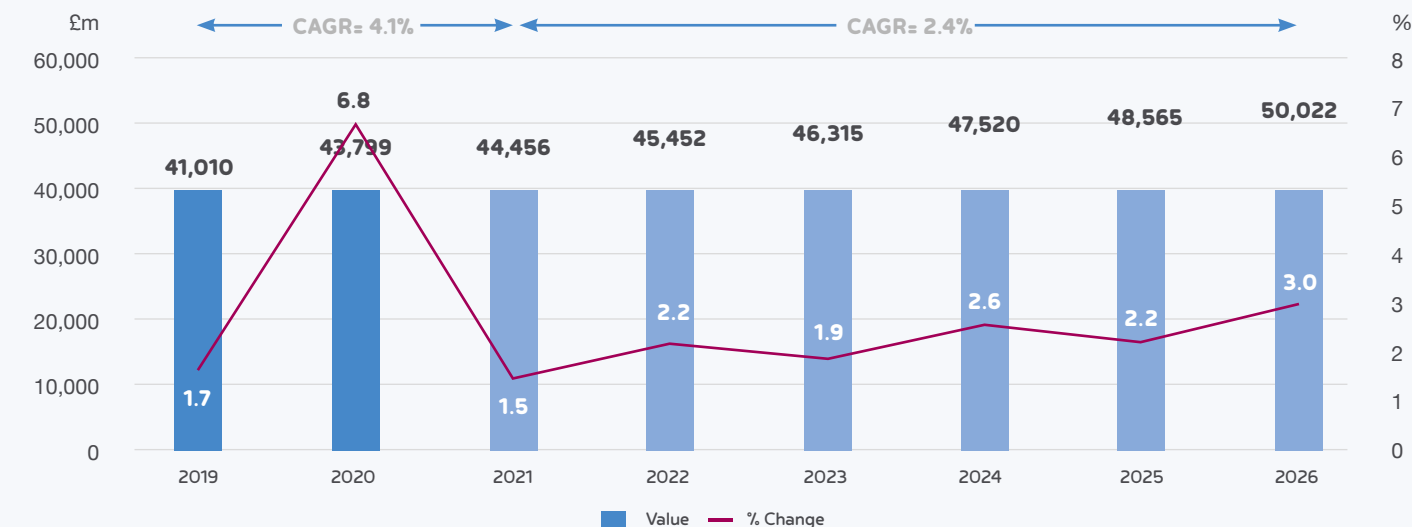
¹⁵ Lumina Intelligence - Q4 Convenience Strategy Forum Debrief – Convenience Tracking Programme, 2020-2021 - % Mission over time

¹⁶ Lumina Intelligence – UK Convenience Market report 2021 – July 21

¹⁷ www.gov.uk - Coronavirus and clinically extremely vulnerable people in England: 11 October to 16 October 2021

Current IGD forecasts paint a brighter future for the convenience sector, with growth expected to average +2.4% over the next five years and the channel remaining

a significant strategic focus, particularly for players in the symbols and co-ops segments.¹⁸



IGD Research 'The UK Convenience market 2021'

With one in five shoppers now determined to support their local shop – rising to one in four shoppers when looking at symbols and independents¹⁹ – convenience

retailers now have a great opportunity to retain the customers they won during the pandemic, while also attracting new consumers to the sector.

SOFT DRINKS PERFORMANCE IN CONVENIENCE

Soft drinks had a particularly strong 2021 within the convenience channel. Total sales were up +11% on the previous year and up +8% vs 2020 figures, adding £182 million in value and growing the category to £2.48 billion.²⁰

Much of this growth was attributed to the bounce back of on the go soft drinks, which suffered an -11% decline in 2020²¹ as many shoppers were confined to their homes. The lifting of restrictions enabled on the go soft drinks to record a +19% uplift last year, driven by increases in distribution (+5%), price (+2%) and value rate of sale (+12%).²²

The revival of on the go soft drinks also had a knock-on effect on food to go missions within convenience, with customers returning to previous shopping habits of pairing drinks with meals while on the move. Food to go missions increased +7% in managed convenience stores and +1% in symbols and independents in 2021.²³

On the flip side, sales of take home soft drinks dipped -3% as purchasing habits switched from at home consumption to out of home consumption.²⁴

HOWEVER, TAKE HOME SOFT DRINKS SALES REMAIN IN A HEALTHY POSITION WHEN COMPARED TO NUMBERS FROM TWO YEARS AGO (+15%), HIGHLIGHTING THAT SHOPPERS ARE STILL PURCHASING MORE TAKE HOME FORMATS THAN PRE-PANDEMIC.²⁴

¹⁸ IGD Research 'The UK Convenience market 2021'

¹⁹ Lumina Intelligence – UK Convenience Market report 2021 – July 21

²⁰ IRI – Total Convenience – Total Soft Drinks, Britvic Defined, Value Sales, Lites Sales, Price per Litre, Value per Wtd Store per Wk – 52WE 23/01/22 vs LY and 2YA

²¹ IRI – Total Convenience – Total Immediate Soft Drinks Britvic Defined – 52WE 24/01/21 vs LY

²² IRI – Total Convenience – Total Immediate Soft Drinks Britvic Defined – Price per litre, Wtd distribution, ROS (Value /Wtd SC/Wk) – 52WE 23/01/22

²³ Lumina Intelligence CTP Q4 2021 vs 2020

²⁴ IRI – Total Convenience – Total Deferred Soft Drinks Britvic Defined – Value Sales – 52WE 23/01/22 vs 52 WE 24/01/21 vs 52WE 26/01/20

SOFT DRINKS WAS ONE OF THE TOP PERFORMING CATEGORIES IN THE CONVENIENCE CHANNEL IN THE FIRST HALF OF 2021, UP **+3.9%** COMPARED TO OTHER CATEGORIES¹⁸

SOFT DRINKS IS THE FOURTH BIGGEST CATEGORY IN CONVENIENCE REPRESENTING **7%** OF TOTAL SPEND¹⁸

SOFT DRINKS REMAIN KEY FOR THE CONVENIENCE CHANNEL AS RESTRICTIONS LIFTED, WITH **56%** OF CONSUMERS SAYING THAT SOFT DRINKS WERE THEIR MAIN REASON FOR VISITING A STORE²⁵



PEPSI MAX™ IS THE NUMBER ONE SUGAR FREE COLA WORTH **£125 MILLION**²⁶

ROBINSONS IS THE NUMBER ONE SQUASH IN THE CONVENIENCE CHANNEL WITH NEARLY **50%** VALUE SHARE²⁷



STIMULANTS WAS THE FASTEST GROWING CATEGORY ADDING **£116 MILLION** IN VALUE SALES²⁸

PMPS ARE VITAL FOR CONVENIENCE STORES, WITH **43.9%** OF SOFT DRINK SALES GOING THROUGH AS A PMP FORMAT, UP FROM 38.1% IN 2019²⁹

TAKE HOME SOFT DRINKS SHOPPERS ARE EXTREMELY VALUABLE TO CONVENIENCE STORES, SPENDING MORE ON AVERAGE (**£18.23 VS £10.56**) AND HAVING A BIGGER BASKET SIZE (**£4.74 VS £3.27**) THAN NON-TAKE HOME SOFT DRINKS SHOPPERS³⁰



²⁵ Lumina Intelligence – Soft Drinks in Convenience Christmas report - CTP 12WE 09/01 – Feb 2022

²⁶ IRI – Total Convenience – Cola Brands – Value Sales – 52WE 23/01/22

²⁷ IRI – Total Convenience – Squash Brands – Value Share of Squash Category – 52WE 23/01/22

²⁸ IRI – Total Convenience – Total Stimulants – Value Sales vs LY – 52 WE 23/01/22 vs 52WE 24/01/21

²⁹ IRI – Total Convenience – Total Soft Drinks Category – 52WE 26/12/21 vs 52WE 29/12/19

³⁰ Lumina Intelligence CTP (16/11/21 -17/10/21)

SOFT DRINKS PERFORMANCE IN CONVENIENCE

Looking at the sub channel performance within convenience, symbols and independents emerged as the biggest driver of soft drinks value sales growth in 2021 (+£268 million), followed by petrol multiples (+£34.9 million).³¹

Value sales of soft drinks also recovered in the high street (+3%) and travel (+42%)³² with the lifting of Covid restrictions. However, these channels are still a long way behind pre-pandemic levels, with high street down -17% and travel declining by -49%.³²

The ongoing battle of tourism vs staycation has driven a dynamic change in footfall, with city centres and international travel facilities losing out to rail networks and more regional attractions. Incoming international air passenger visits to the UK dropped -93% in Q1 to Q3 2021 compared to 2019³³, while 56% of UK consumers chose to take breaks more locally instead of holidaying abroad.³⁴

This shift also had an impact on the different outlets within the convenience channel.

HYBRID WORKING REMAINS A KEY LEGACY OF THE PANDEMIC AS COMPANIES ADAPT TO NEW WAYS OF WORKING.

CGA data found 41% of consumers are working from home, with 37% saying that they prefer working fully remotely.³⁵

This change has led to growth in soft drinks volume sales in suburban (+1.2%) and rural areas (0.7%) and a decline in the high street (1.8%).³⁶ In addition, 35% of consumers are now visiting venues in town and city centres less than they did two years ago.³⁶

SOFT DRINKS VALUE SALES CHANGE BY OUTLET³⁷

	EXT1 Convenience GB	EXT2 High street	EXT2 Symbols & independents	EXT3 Symbols	EXT3 Roadside – petrol multiples	EXT3 Travel
Value % Change	11%	3%	11%	10%	16%	42%
Value % Change vs 2 YAGO	8%	-17%	16%	21%	22%	-49%

MANUFACTURER PERFORMANCE

Coca-Cola Europacific Partners remains the number one soft drinks manufacturer in the convenience channel, with Britvic at number two. Red Bull has retained its place in third after overtaking Suntory Beverages in 2020.⁴⁰

Of the top five manufacturers, Danone is the fastest growing supplier (+22.9%)³⁸ as on the go water sales continue to recover. Red Bull has seen the fastest percentage growth over the past two years, up 32% in value sales vs 2020, with the manufacturer benefiting from significant growth in the stimulants market during the pandemic.³⁸

TOP 5 SOFT DRINKS MANUFACTURER BASED ON VALUES³⁸

2019	2020	2021
CCE	CCE	CCE
Britvic	Britvic	Britvic
Suntory	Red Bull	Red Bull
Red Bull	Suntory	Suntory
Danone Water	Danone Water	Danone Water

31 IRI – Symbols and Independents & Roadside Petrol Multiples – Value Sales – 52 WE 23/01/22 vs LY

32 IRI – High Street and Travel – Total Soft Drink Britvic Defined - Value Sales – 52WE 23/01/22 vs LY vs 2YA

33 VisitBritain.org

34 CGA BrandTrack October 2021

35 CGA BrandTrack October 2021 & Lumina Intelligence

36 CGA managed Volume Pool Nov 2021 & CGA BrandTrack October 2021

37 IRI – Convenience, High Street, Symbols & Independents, Symbols, Roadside Petrol & Travel – Total Soft Drinks – Value Sales 52WE 23/01/22 vs LY and 2YAGO

38 IRI – Total Convenience – Total Soft Drink by Manufacturer – Value Sales – 52WE 23/01/22 vs YA & 2YAGO

STIMULANTS PICK UP FURTHER SALES THROUGH 'PICK-ME-UP' DEMAND

Stimulants was the biggest winner in the convenience channel in 2021, increasing market share to 26.9% and overtaking cola as the number one category in this sector.³⁹ Sales of stimulants grew +21% and increased in value by £116 million⁴⁰ as shopper demand for 'pick-me-ups' increased during the ongoing pandemic.⁴¹ Glucose drinks also bounced back last year, growing by 6% year-on-year, but remain a long way behind pre-pandemic levels (-9%).⁴²

Monster Energy and Red Bull remained the key brands driving category growth, with year-on-year value sales up +30% and +21% respectively.⁴³ While these brands helped meet increasing shopper demand for energy-giving products,⁴⁴ there remains a significant opportunity for further growth in stimulants, with 91% of the UK population not currently purchasing stimulant drinks.⁴⁵

With new rules on High Fat, Salt, Sugar (HFSS) products soon coming into force, health-conscious shoppers will also be on the lookout for stimulant drinks with reduced sugar content. A number of brands are updating their ranges to meet this demand including Rockstar, which will have its six top bestsellers HFSS compliant ahead of regulations coming into effect.



CONVENIENCE VALUE SALES⁴⁶

	2020	2021
1st	Cola	Stimulants
2nd	Stimulants	Cola
3rd	Fruit carbs	Fruit carbs
4th	Plain water	Plain water
5th	Juice drinks	Juice drinks

ON THE GO CARBONATES FIZZ WHILE TAKE HOME SALES FALL FLAT

Carbonates saw a mixed performance in the convenience channel in 2021. On the one hand, the cola category grew 4% in 2021, adding £23 million in value to convenience sales.⁴⁷ This was led by the resurgence of on-the-go cola value sales (+11%),⁴⁸ which were fuelled by the lifting of Covid restrictions and more shoppers buying on impulse. Conversely, take home cola sales – which saw significant growth in 2020 – dropped -4%⁴⁹ as more shoppers returned to mingling outdoors and the number of home socialising occasions fell.

Nevertheless, cola remains vital for convenience retailers as the second largest soft drinks category, worth £617 million⁵⁰ with 24.9% share of the market.⁵¹ Pepsi MAX™ is the biggest sugar free cola in convenience at £125m,⁵² twice as big as the nearest competitor, adding £10.1 million⁵² to the category over the last year. Sales through stores last year were largely driven by both sugar free cola (+7%) and regular cola (+6%), demonstrating that shoppers in the channel value a choice of options for different occasions.⁴⁹

39 IRI – Total Convenience – Total Stimulants Britvic Defined – Value Sales – 52WE 23/01/22 vs YA

40 IRI – Total Convenience – Stimulants – Value Sales % and abs change vs LY – 52 WE 23/01/22 vs YAGO

41 IRI – Total Convenience – Total Stimulants – Value Sales – 52WE 20/02/22

42 IRI – Total Convenience – Total Glucose – Value Sales – 52WE 20/02/22 vs LY and 2YAGO

43 IRI – Total Convenience – Total Red Bull & Total Monster Energy – Value Sales – 52WE 23/01/22 vs LY

44 Kantar Worldpanel, Usage Panel, Take Home, Total Market, 52wks, Servings vs 5YA, Data to w.e. 29.11.20 (Consuming for energy need)

45 Kantar Worldpanel OOH Panel, All Stores, Britvic-defined Stimulants sector, 52wk data to 8th Aug 2021

46 IRI – Total Convenience – Total Soft Drink by category – Value Sales – 52wks to 23/01/22 & 52 to 24/01/21

47 IRI – Total Convenience – Total Cola – Value Sales % Change vs LY – 52WE 23/01/22 vs LY

48 IRI – Total Convenience – Total Immediate Cola Britvic Defined – Value Sales – 52WE 23/01/22

49 IRI – Total Convenience – Total Deferred Cola Britvic Defined – Value Sales – 52WE 23/01/22

50 IRI – Total Convenience – Total Cola Britvic Defined – Value Sales – 52WE 23/01/22

51 IRI – Total Convenience – Total Cola Britvic defined – Value Share of Soft Drink – 52WE 23/01/22

52 IRI – Total Convenience – Total Pepsi MAX™ & Coca Cola Zero – Value Sales – 52WE 23/01/22

A similar pattern emerged within fruit carbonates. Value sales within this category rose +9% for the year, with a +17% rise in on-the-go consumption negating a -9% decline in take home sales.⁵³

DESPITE THIS SHIFT IN SHOPPING HABITS, CARBONATES CONTINUE TO BE A KEY CONSIDERATION FOR CONSUMERS SOCIALISING AT HOME.

Cola is now the second most consumed mixer with spirits in home, with 18 million more occasions compared to pre-pandemic levels.⁵⁴ In addition, shoppers are increasingly consuming fruit carbonates alongside food while at home.⁵⁵

Interestingly, cola flavours have grown faster than standard cola over the last year (+12%).⁵⁶ Lime has been the strongest growing flavour (+240%)⁵⁶ aided by the launch of Pepsi MAX™ Lime which is now worth £1.4 million in value sales since its launch in June 2021.⁵⁶

This suggests shoppers are moving away from more conservative shopping habits during the pandemic and are becoming more adventurous with their choices and looking to treat themselves – one of the key drivers to unlocking higher consumption rates of soft drinks.⁵⁷ New entrants to the fruit carbonates category such as Tango Editions Berry Peachy Sugar Free are also providing additional opportunities for retailers to increase stand out on shelf and in the chiller with exciting new flavours.

+240%

LIME HAS BEEN THE STRONGEST GROWING FLAVOUR⁵⁶



PREMIUM BRANDS AND NEW FORMATS PROP UP DECLINING SQUASH SEGMENT

After becoming the in-home refreshment hero during the pandemic, squash experienced a challenging 2021. Sales fell -19% as home consumption reduced and more people turned away from the tap.⁵⁸

All major squash brands saw a decline in value sales, including Robinsons (-24%), Ribena (-31%) and Vimto (-5%). Capri Sun launched into the squash category but remains small, with a 1.3% value share of the market over the past year.⁵⁹

Robinsons remains the number one squash brand in convenience with nearly 50% share of the category and was worth £18.6 million last year.⁶⁰ The brand relaunched its portable Robinsons Minis range to tap into the growing reusable bottle trend – with three in five people carrying a water bottle when out of home.⁶¹ The relaunch saw Robinsons Minis return to growth, rising +15% year-on-year.⁶²

Shoppers are also seeking out higher quality squashes within convenience, as evidenced by an +8% rise in sales of the premium Robinsons Fruit Creation range vs pre pandemic levels.⁶³ Robinsons also relaunched its Ready To Drink range, introducing a brand-new look to its Peach & Mango and Raspberry & Apple flavours and introducing a new Blackberry & Blueberry variant and price marked packs to attract the attention of customers.



53 IRI – Total Convenience – Total Fruit Carbs, Immediate and Deferred Britvic Defined – Value Sales – 52WE 23/01/22 vs LY & 2YAGO

54 Kantar WPO – With & Without Spirits Off Trade – Cola – Occasions % - 52 w.e – 03.10.21

55 Kantar WPO – Usage Panel – Britvic Defined Fruit & Non-Fruit Carbonates – Food Occasions - 52 w.e – 31.03.21

56 IRI – Total Convenience – Total Flavoured Cola Britvic Defined – Value Sales – 52WE 23/01/22 vs LY

57 Mintel – CARBONATED SOFT DRINKS: INC IMPACT OF COVID-19 UK – Dec 2020

58 IRI – Total Convenience – Total Squash Britvic Defined – Value Sales 52WE 23/01/22 vs LY

59 IRI – Total Convenience – Total Squash Brands Britvic Defined – Value Sales and Value Share of Squash Category – 52WE 23/01/22 vs LY and vs 2YAGO

60 IRI – Total Convenience – Total Robinsons Squash Britvic Defined – Value Share of Squash – 52WE 23/01/22

61 Mintel UK – Bottled Water May 2020

62 IRI – Total Convenience – Robinsons Minis and Squash'd – Value Sales – 52WE 23/01/22 vs LY

63 IRI – Total Convenience – Total Squash by Value Tier Britvic Defined – Value Sales – 52WE 23/01/22 vs LY.

STEPS TO SUCCESS IN 2022

1. CAPITALISE ON THE BOOMING HEALTH AND WELLNESS TREND

Healthier eating is one of the most important mega trends impacting consumer behaviour in convenience. Around two thirds of soft drinks consumers (69%) are proactively trying to lead a healthy lifestyle.⁶⁴ In addition, 14% of consumers are drinking healthy drinks more so than a year ago, while 58% of soft drinks consumers would like to see more healthy soft drinks on offer from retailers.⁶⁴

This trend has grown during the pandemic, with workers stuck at home making a more conscious effort to stay fitter and healthier. And with new incoming legislation due to place further restrictions on products with high fat, sugar and salt (HFSS) content, healthier eating is only set to rise up the agenda of shopping priorities for consumers.

Functional wellness products have seen significant growth in the impulse channel, growing value at +29% over the last year as customers look for healthier alternatives in the channel.⁶⁵ However, this category remains small, accounting for only 2% of the total sales through impulse-led stores.⁶⁵

Getting impulse stores to the same value share size of the functional wellness sector as grocery multiples represents a £33 million opportunity for the convenience channel.⁶⁶ With customers willing to pay more for healthier products, this category also opens new avenues to get convenience shoppers to trade up to more premium brands, with price per litre of functional wellness drinks 35% higher than the soft drinks category average.⁶⁷

Certain in-store levers can help retailers close the gap between those interested in functional wellness drinks and those buying in the category. Shoppers see functional wellness drinks as a segment and expect these products to be merchandised together.⁶⁸ Offering the right range is also crucial for growing awareness and sales – 46% of consumers agree that the number of new products makes shopping for health food confusing,⁶⁹ while 63% agree it's difficult to know whether products claiming to have health benefits (i.e., immunity) make a difference to your health.⁷⁰

RETAILERS ARE THEREFORE ADVISED TO BUILD CUSTOMER TRUST BY STOCKING CREDIBLE FUNCTIONAL WELLNESS BRANDS AND IMPROVING SHOPPER EDUCATION AROUND THESE PRODUCTS.

They should also attempt to centre their ranges around beacon brands such as Purdey's, a leading functional wellness drink worth £4 million.⁷¹ Sales of Purdey's grew +13% in 2021 following its relaunch, adding £500,000 additional value⁷² and attracting new shoppers to the functional wellness category. Brands such as Naked Smoothies – worth £7.2 million and growing at +17%⁷³ – and Innocent Super Smoothies – worth £2 million and growing at +15%⁷⁴ – are also helping to drive growth in this sector.

ESTABLISHING			EMERGING		
VITALITY I.E. SUPPORTING A STRONG BODY			GUT HEALTH E.G. KOMBUCHA, KEFIR, BIRCH WATER	REHYDRATE I.E. MORE HYDRATING THAN WATER E.G. ADDED ALKALINE	RELAX E.G. CBD DRINKS
VITAMINS	IMMUNITY	ENERGISING			
					

64 CGA BrandTrack August 2021 & REACH Survey 2021. CGA OPM Data to P11 2021 & OOH to October 2021

65 Nielsen Scantrack – Total Impulse – Total Functional Wellness Britvic Defined – Value Sales % Change – 52WE 22/01/22 vs LY

66 NielsenIQ RMS – Total Coverage and Total Impulse – Total Soft Drinks (Britvic Defined) and Britvic Wellness Drinks, 52wks, Data to w/e 25/12/21 – £33m calculated by Wellness Drinks achieving the same value share of Soft Drink in Total Impulse as per Total Coverage)

67 NielsenIQ RMS – Britvic Defined Wellness Drinks – Price per L vs soft drinks average – 52WE 25/12/21

68 Shoppercentric Britvic Bespoke Decision Tree Research – Immediate Consumption January 2022

69 IGD ShopperVista, Eating more fruit and vegetables tops the list of shopper health priorities, July 2021

70 Mintel Attitudes towards health eating – UK – February 2021

71 NielsenIQ RMS – Total Impulse – Purdeys – Value Sales – 52we to 22.01.22

72 NielsenIQ RMS – Total Impulse – Purdeys – Value Sales Growth Actual and % -52we to 22.01.22

73 IRI – Total Convenience – Naked Smoothies – Value Sales – 52WE 20/02/22 vs LY

74 IRI – Total Convenience – Innocent Super Smoothies – Value Sales – 52WE 20/02/22

2 in 3

shoppers are interested in added ingredients to make products healthier⁷⁵

However only

17%

of soft drinks buyers are currently buying wellness drinks out of home (30% to take home)⁷⁶

39%

of shoppers feel motivated to exercise and eat a more balanced diet due to Covid⁷⁷

53%

of shoppers say they attempt to buy healthier snack items such as reduced sugar or lower calorie items⁷⁷

Robinsons has launched a new range of on-the-go squash, Benefit Drops, enriched with added vitamins - Immunity, Boost, Focus and Vitality

+7%

No sugar cola has been the fastest growing over the last year in the convenience channel growing at +7%⁷⁸

Robinsons is the number one squash in the convenience channel⁷⁹ and has relaunched its Fruit & Barley range, a £700k sub brand in the convenience channel, with added vitamins. Robinsons Fruit & Barley Orange and Peach variants contain vitamins B, C & D, while Summer Fruits, Apple & Pear and Pink Grapefruit variants contain vitamins C and B6 to support the immune system and strong bones.⁸⁰



⁷⁵ IGD ShopperVista Has COVID-19 kick-started new health trends? September 2020

⁷⁶ Kantar OOH Panel and Kantar Take Home Panel – Total Market – Penetration – 52wk to 26.12.21

⁷⁷ Lumina Intelligence Channel Pulse, October 2021

⁷⁸ IRI – Total Convenience – Total Diet Cola Britvic Defined – 52WE 23/01/22 vs LY

⁷⁹ IRI – Total Convenience – Total Robinsons Squash – Value Share of Squash Category – 52WE20/01/22

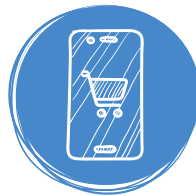
⁸⁰ IRI – Total Convenience – Robinsons Fruit and Barley NAS sub-range – Value Sales – 52WE 20/01/22

2. PREPARING FOR HFSS

As HFSS legislation comes into force in the market from 1st October 2022, impacting on promotion and display locations, we expect to see a further acceleration in sales of healthier drinks. While the legislation also impacts categories outside of soft drinks, a HFSS soft drink is based on the NPM (Nutrient Profiling Model) score and not the soft drinks industry levy. Therefore, a soft drink with more than 4.5g of sugar per 100ml will be impacted by the new legislation. The legislation will ban volume-based promotions (e.g. free refills, multibuys, buy-one-get-one-free) but will exclude meal deals and price cuts.

Restricting display location will apply to store entrances within 3% of the store's relevant floor area (up to 15 metres), checkouts within 2 metres (unless in a main aisle), designated queueing areas within 2 metres (unless in a main aisle) and end of aisles adjacent to main aisle or separate units (e.g. merchandising units 50 centimetres end of aisle). Equivalent locations online will also be impacted, such as website entry pages and landing pages.

HFSS PROMOTIONS & DISPLAY SUMMARY



SYMBOLS INTERPRETATION

PROMOTIONS RESTRICTIONS

NO

If <50 employees

YES

If 50+ employees

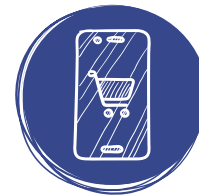
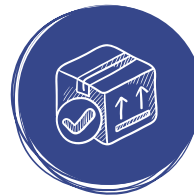
DISPLAY RESTRICTIONS

NO

If <50 employees or
<2,000 sq ft

YES

If >2,000 sq ft



WHOLESALE INTERPRETATION

PROMOTIONS RESTRICTIONS

NO

If only selling B2B

YES

If selling to
consumers

DISPLAY RESTRICTIONS

NO

If only selling B2B

YES

If selling to
consumers

Impulse categories are heavily impacted by HFSS restrictions, but soft drinks are in a strong place to help replace lost sales.

SOFT DRINKS ARE THE NUMBER ONE IMPULSE CATEGORY RANKED ON VALUE⁸¹ AND CURRENTLY 77.3% OF SPEND IN THE CATEGORY IS ON HFSS COMPLIANT PRODUCTS.⁸²

Despite this, the impact for the soft drinks channel is still large with £1.28 billion spend on impacted products.⁸³



⁸¹ NielsenIQ RMS, Total Coverage, Impulse Categories Ranked by Value Sales, MAT to 1.1.22

⁸² Kantar, Total Food & Drink, % Spend on HFSS products, 52 w/e 21 Feb 2021

⁸³ NielsenIQ RMS, Total Impulse, Britvic Defined HFSS Soft Drinks, Value Sales, MAT to 22.1.22

HOW RETAILERS CAN MAXIMISE SALES THROUGH HFSS:

1. Ease of shop – Outlet layout is key to driving shopper conversion

- i) Think about shopper missions to design your outlet e.g. Top up shopping, food to go and evening meals
- ii) Keep single soft drinks and take-home soft drinks together
- iii) Use clear merchandising to help navigate shelves
- iv) Consider signage and POS to highlight growth areas

2. Balance range choices – The right range is important to retain shopper loyalty

- i) Avoid choice editing by removing HFSS products, as 38% of stimulants value⁸⁴ and 9% of cola value is from full sugar loyalists⁸⁴
- ii) Minimise HFSS risk through ranging compliant products such as the Rockstar core range and Pepsi MAX™, the number one bestselling sugar free cola in convenience⁸⁵. 62% of stimulants value⁸⁶ and 91% of cola value comes from cross-shoppers or no sugar loyalists⁸⁷
- iii) Support compliant NPD to excite shoppers around healthier drinks, such as new Tango Berry Peachy and Pepsi MAX™ Lime

3. Trigger impulse buys with viable displays – Getting touchpoints right is key to driving basket spend

- i) Shift secondary displays towards compliant products
- ii) Think about new secondary locations for compliant soft drinks e.g. checkouts
- iii) Explore pre-store shopper comms to get on the shopping list e.g. social media, loyalty emails and apps

4. Maximise occasions and events – Building excitement among shoppers can drive impulse and basket spend

- i) Highlight calendar events such as Christmas, Halloween and Easter
- ii) Create occasion-based solutions with food and drink e.g. snacks, meal for tonight and BBQs
- iii) Delight shoppers with scale brand campaigns – for example, sports partnerships such as Pepsi sponsoring Women's EURO 2022.

Britvic has a range of products and activation to help maximise sales in the convenience channel through HFSS. Based on liquids vs value, 90% of the Britvic portfolio is compliant and reformulations will move Britvic to c. 91% by 1st October.⁸⁸



⁸⁴ Kantar OOH Panel, Total Market, Britvic Defined Cola, % Value Cross Shop for Full Sugar vs Sugar Free, 52wk data to 20.2.22

⁸⁵ IRI – Total Convenience – Cola Value Sales – 52WE 20/01/22

⁸⁶ Kantar OOH Panel, Total Market, Britvic Defined Stimulants, % Value Cross Shop for Kantar defined Full Sugar v Low/No Sugar Stimulants, 52wk data to 20.2.22

⁸⁷ Kantar OOH Panel, Total Market, Britvic Defined Cola, % Value Cross Shop for Full Sugar vs Sugar Free, 52wk data to 20.2.22

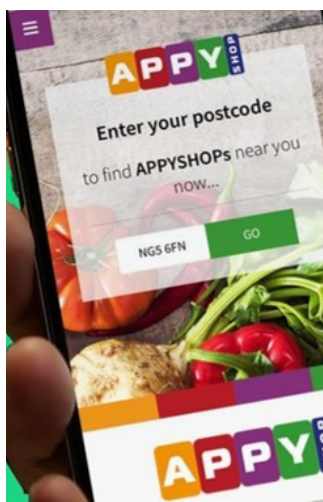
⁸⁸ Internal Analysis of liquids sold in GB that are compliant as a proportion of all liquids sold in GB. Includes the total portfolio including Britvic and PepsiCo brands and newly acquired Plenish

3. WIN IN DELIVERY AND ONLINE

With the majority of people consigned to their homes during lockdown, sales of goods through delivery services and e-commerce sites have skyrocketed over the last few years. The convenience channel is now starting to catch up with the wider grocery market in this regard. The total convenience delivery market was worth £4.3 billion in 2021, growing by 127% and adding £2.4 billion in year-on-year sales.⁸⁹

The evolution of the digital path-to-purchase through delivery apps and online promotional tools also saw the rise of services tailored exclusively for the convenience sector. For example, online convenience platform Jisp

launched a new promotional tool, Scan and Save in September, allowing customers with the app to access promotional offers based on to their personal shopping history.⁹⁰ We have also seen number of rapid grocery delivery disrupters enter the market in the last year⁹¹. For examples, Unitas Wholesale opened up its partnership with rapid delivery provider, Appy Shop, to all its members in March. Boots announced a partnership with Deliveroo ensuring rapid delivery of health and beauty products as well as food and drink and Snappy Shoppers partnership with Nisa has gone from strength to strength more than doubling sales since February.



TECHNOLOGY CONTINUES TO BE THE BIGGEST DISRUPTOR IN CONVENIENCE TRENDS.

When asked about the most important long-term trends impacting the convenience industry, 37% of shoppers cited the use of internet, mobile technology and apps, while 33% highlighted the increasing demand for home delivery.⁹²

Soft drinks have an important role to play in growing delivery and e-commerce sales through local stores. A total of 22% of delivery orders now contain a soft drink⁹⁰, yet only 17% of shoppers buy a soft drink for a meal occasion when delivered from a convenience store.⁹³ This represents a huge opportunity for soft drinks to be added to bundle deals on delivery orders to increase sales and drive basket spend.

The added convenience of home delivery will also present additional chances to encourage shoppers to trade up on soft drinks. Larger soft drink pack sizes over-index on delivery due to the extra value they offer, the need for a larger pack as part of a sharing meal occasion, and the added convenience of not having to carry them home.



⁸⁹ Lumina Intelligence Eating and Drinking Out Panel 12WE 26/12/2021 & CTP Dec 2021

⁹⁰ Lumina Intelligence January 2022

⁹¹ Lumina Intelligence Q1 Convenience Strategy Forum Debrief

⁹² Lumina Intelligence Top of Mind Report July 2021

⁹³ Lumina Intelligence Convenience Tracking Programme 12WE 09/01/22

7 STEPS TO SUCCESS



OUTLET OF CHOICE:

Customers know why to visit your outlet over any other for their mission or occasion – ensure your soft drinks offer stands out from the crowd

- Use technology to drive shoppers to store
- Consider loyalty programs to deliver great shopping experiences



EASY TO NAVIGATE:

Customers quickly and easily find their way to where soft drinks are located

- Make sure key beacon brands at eye level stand out through visibility and space
- Ensure you are segmenting and grouping together products with similar needs
- Use clear merchandising to help navigate shelves



HOT ON HOTSPOTS:

Customers notice soft drinks at multiple points on their journey, influencing their decision to buy

- Dual site soft drinks promotions in high footfall secondary locations to ensure they are visible to as many customers as possible e.g. FSDUs, gondola ends
- Locate key brands within eyeline of shoppers in the chillers
- Drive impulse sales of soft drinks while queuing by displaying at the till point



RANGE FOR TODAY & TOMORROW:

- Balance your range between core, explore and excite ranges
- Range top selling brands and add excitement with flavour extensions
- Use NPD to excite shoppers
- Ensure you offer premium/trade up options to drive value



CONNECT COMPLEMENTARY CATEGORIES:

Offer cross-category solutions that nudge customer to buy soft drinks on more occasions

- Clearly communicate a lunchtime meal deal including a range of soft drinks, snacks and sandwiches.
- Don't forget meal and snacking solutions for kids
- If you serve hot food, ensure you are including a soft drink in your offer



MAKE MOMENTS MORE MEMORABLE:

Customers enjoy an elevated experience, encouraging them to buy more soft drinks

- Create engaging experiences by leveraging seasons and events
- Utilise technology to communicate with shoppers
- Consider on-trend NPD to drive interest and excitement



FOCUS ON FUNDAMENTALS:

- Ensure core soft drinks are available and chilled in every store

PREMIUMISATION VS VALUE

DEEP DIVE – MEETING DEMAND AT BOTH ENDS OF THE VALUE SPECTRUM

Looking to the year ahead, consumers are facing a number of major challenges that will have a long-term impact on their shopping habits and how and where they choose to spend their money.

Consumer spend overall is expected to be noticeably higher in 2022 compared to the previous two years as we emerge from the shadow of Covid. However, this is due to be tempered by factors such as a surge in energy costs, increases in national insurance tax and high levels of inflation.⁹⁴ On average, consumers are £1,200 worse off this year compared to 2021, which has been linked to the 5.4%

rate of inflation set by the Bank of England, with one in five saying they are financially squeezed.⁹⁵

But interestingly, when asked about how the pandemic has impacted their financial situation, there was an even split between consumers who said they were worse off now (20%) and consumers who claimed to be better off (20%).⁹⁷

The good news for convenience stores is that this polarisation in personal finances poses opportunities to maximise customer spend from both soft drink 'value' and 'treat' occasions.

THE 'PREMIUMISATION' OF SOFT DRINKS

Over the past two years we have seen premiumisation of the soft drinks category with +6% price per litre growth vs last year⁹⁶. This growth has been driven by on the go drinks and the accelerated growth of the energy category – two trends that we predict will continue into 2022.



I) ENERGY EVOLUTION

The stimulants category continues to cater for growing need states, with 53% of the population claiming they often feel tired⁹⁷. This has seen stimulants energy become the fastest growing and biggest category in convenience in the last two years, now worth £666 million⁹⁸. It also represents a strong trade up opportunity for the category with approximately two times higher average price per litre than the soft drinks average⁹⁹.

DESPITE THE GROWTH OF STIMULANTS ENERGY, THERE IS STILL SIGNIFICANT HEADROOM FOR THE ENERGY SEGMENT THROUGH CONTINUING TO DRIVE PENETRATION, WHICH REMAINS LOW, AND EVOLVING THE ENERGY OFFERING TO APPEAL TO THE HEALTH-CONSCIOUS CONSUMER.

⁹⁴ EY Item Club, Winter Forecast, February 2022

⁹⁵ Lumina Intelligence EDOP Q4 2021 vs 2022. CTP Q4 2021 vs 2020

⁹⁶ IRI – Total Convenience – Total Soft Drink – Price per Litre % Change vs last year – 52we 23/01/22

⁹⁷ Mintel Sports and Energy Drinks UK 2021

⁹⁸ IRI – Total Convenience – Stimulants – Value Sales – 52WE 23/01/22 vs LY

⁹⁹ IRI – Total Convenience – Total Stimulants vs Total Soft Drinks – Price per Litre – 52WE 20/02/22



Stimulants has a core of extremely loyal buyers, with 20% of shoppers accounting for over 75% of volume and buying more than three times per week.¹⁰⁰

CORE VARIANTS AND FLAVOURS CONTINUE TO BE THE MOST POPULAR AMONG SHOPPERS AND LEAD THE WAY IN SALES, REFLECTING MANY CONSUMERS' PREFERENCES FOR THE TASTE OF THESE PRODUCTS.¹⁰¹

Although consumers gravitate towards their favourite flavour there is also demand for expanded ranges and new flavours - 17% of sports & energy drink consumers actively seek out new flavours¹⁰¹ and we have seen this need being met through a variety of NPD and flavour expansions across the brands.

STIMULANTS NPD



LUZCOADE ALERT
= £1.9 MILLION
VALUE SALES¹⁰²



RUBICON RAW ENERGY
= £8.9 MILLION
VALUE SALES¹⁰³

Stocking a range of core stimulants flavours and new variants has been key to the success of the category. Range expansion has been vital in keeping pace with increased demand and retailers should consider stocking a selection of products and flavours to help attract new shoppers into the category, including bestselling brands such as Monster, Red Bull, Rockstar and Relentless.

Convenience stores should consider stimulants and energy drinks that bring additional benefits to customers, with 72% of category users agreeing that sports & energy drinks with added benefits appeal to them.¹⁰¹

Retailers are also advised to stock a range of products that address the key barriers to enter the category and increase the number of users and usage occasions for this category in store. This can include stocking larger pack formats to target shoppers consuming energy drinks at home. Larger packs are particularly popular with the 34% of energy drink users who consume these drinks at least twice a week. Take home packs of energy drinks are now worth £46 million and have grown 16% over the past year.¹⁰⁴

¹⁰⁰ Kantar Worldpanel – OOH Panel – Britvic Defined Stimulants Sector – 52WE data 08/08/21

¹⁰¹ Mintel sports and Energy Drinks UK 2021

¹⁰² IRI – Total Convenience – Lucozade Alert – Value Sales – 52WE 20/02/22

¹⁰³ IRI – Total Convenience – Rubicon Raw – Value Sales – 52WE 20/02/22

¹⁰⁴ IRI – Total Convenience – Total Stimulants Deferred – Value Sales – 52 WE 20/02/22 vs 52 WE 21/02/21

As the need of the energy drinks shopper evolves, convenience store owners should consider evolving their offering with added functional benefits that help maintain mental and physical performance or gut health.

The impact that stimulants have on sleep is a concern amongst users (65%) and non-users (54%)

respectively¹⁰¹. Retailers should consider evolving their energy offering away from just stimulants, giving enough space on the fixture to growing brands in natural energy such as Purdey's to appeal to these consumers and help them to live a more naturally energised and balanced lifestyle.

AN ENERGISING LIFT



STAY SHARP



RESTORE NATURAL BALANCE



Natural ingredients appeal to one in three sports and energy drink users¹⁰¹. The importance of natural ingredients increases with age¹⁰¹ and, with the stimulants category being heavily skewed towards younger shoppers, this represents an opportunity to expand the appeal of energy drinks.

are the reason for them not drinking an energy drink in the last three months. Stocking low sugar free variants, which are smaller but growing rapidly, will also help retailers to maximise their sales by addressing this concern while also enabling them to comply with the upcoming HFSS legislations.

The link between sugar content and stimulants drinks is a considerable barrier to entry in the category, with 44% stating that the drinks containing too much sugar¹⁰¹



**ROCKSTAR'S CORE RANGE
WILL BE HFSS COMPLIANT
AHEAD OF LEGISLATION**

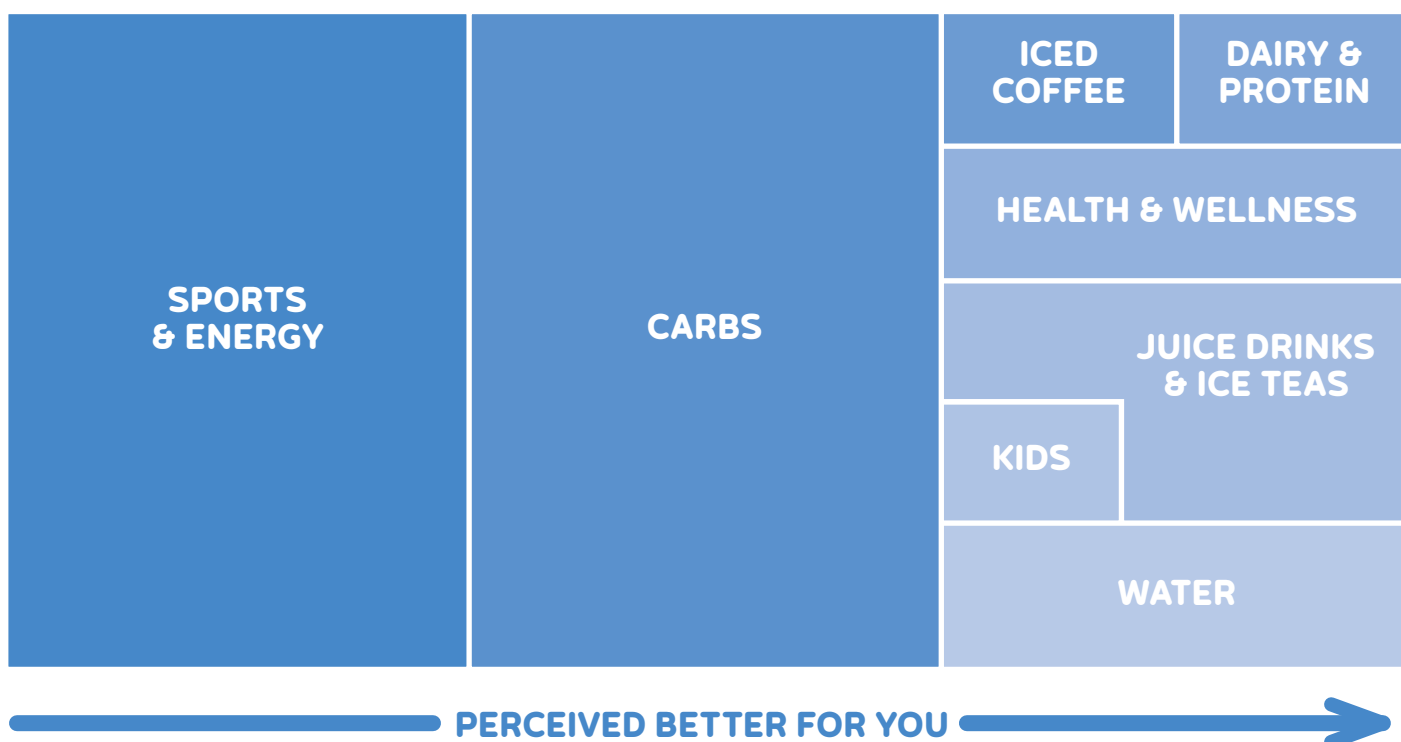
II) GROWING ON THE GO DRINKS

On the go soft drinks in convenience have fuelled the growth in the wider soft drinks category in the last year (+23%)¹⁰⁵ and at a premium to the deferred range (+235%)¹⁰⁶, presenting further opportunities for convenience store owners to profit from this sector.

The reasons for visiting an outlet for single serve drinks has broadened with Covid triggering an evolution of immediate consumption missions and purchasing behaviours, opening up new opportunities to convert more shoppers.¹⁰⁷ With a wider set of missions being undertaken outside of the 'top up shop' and lunchtime

'food to go', it's vital that retailers think beyond traditional occasions within convenience¹⁰⁷. Developing these increasingly more prominent occasions – such as meal for tonight, breakfast and snacking – will be important in driving future growth.

Category merchandising is the key to success to cater for different need states and missions for shoppers. Food deals are another top influencer of purchases for on-the-go soft drinks. As consumer needs evolve, it's important to cater to these changing needs with new food and drink pairings.



Chilled is critically important to single serve soft drinks as the format is designed for immediate consumption. Ensuring products are chilled throughout the day (with timely restocking to manage peaks) and sited at front of store as a priority is vital to maximising shopper conversion and category growth.

IN SUMMER, THE PERCEPTION OF 'COLDER THAN COLD' WILL HELP OPERATORS STAND OUT FROM THE CROWD AND CAPTURE LOYALTY.¹⁰⁹

¹⁰⁵ IRI – Total Convenience – Total Immediate Soft Drinks – Value Sales % Change – 52WE 20/02/22 vs LY

¹⁰⁶ IRI – Total Convenience – Total Immediate Soft Drink & Total Deferred Soft Drink – Price per Litre – 52WE 20/02/22

¹⁰⁷ Shoppercentric Britvic Bespoke Immediate Consumption Research December 2021

New flavours are the top influencer when it comes to soft drinks purchases¹⁰⁷ and is a universally exciting and simple message for customers to spot when in store. Regularly updating soft drinks ranges with new flavours will help retailers to keep the category fresh and interesting for their customers. The success of Tango Dark Berry in the market and the new distinctive launch of Tango Berry Peachy Sugar Free are good

examples of how exciting new products can help to drive incremental sales for on the go soft drinks. Britvic has also seen continued innovation in soft drinks in the more premium space – such as Tango Ice Blast and juice bars – which not only help to drive trade up but also make the convenience a destination, helping to drive additional footfall.



Meanwhile, plastic waste continues to top the list of consumer concerns. While this has led to water segments suffering in single serve, meeting the needs of customers in this regard also presents growth opportunities within convenience. Sustainability-focused consumers spend more on average (£10.23) than non-

sustainability focused consumers (£9.41)¹⁰⁸. Within soft drinks and the wider on the go food sector, clear messages on pack about recyclability will reassure customers that they can continue to enjoy their favourite products without compromising on their values.

III) SEASONAL OCCASIONS

Seasonal occasions present convenience and impulse stores with some of the biggest opportunities to drive sales of soft drinks. Neighbourhood stores see a significant rise in soft drink sales around key seasonal periods such as summer and Christmas. Summer continues to be the most important season for soft drinks from a value sales point of view, worth £457 million.¹⁰⁹ Meanwhile Christmas is the fastest growing period of the year for value sales of soft drinks, up +21% year-on-year,¹⁰⁹ and is a time of year where shoppers will typically look to treat themselves and their loved ones.

Customers are also buying more soft drinks for events around Easter, summer BBQs and Halloween. For example, shoppers will spend an average of £4.71 on soft drinks during Easter compared to an average of £3.20 outside of the holiday.¹¹⁰



¹⁰⁸ Lumina Intelligence Eating & Drink Out Panel 2020-2021

¹⁰⁹ IRI Total Convenience, Total Soft Drinks Britvic Defined, Value Sales 12 We 16.01.22 vs LY

¹¹⁰ Lumina Intelligence Convenience Tracking Programme 3WE 04/04/2021

Outside of the annual seasonal occasions, this year represents additional sales opportunities with events such as the Queen's Platinum Jubilee Bank Holiday and key dates in the sporting calendar such as the UEFA Women's EURO 2022 this summer in England and the

FIFA World Cup 2022 in November and December. A total of 44% of shoppers state that they will celebrate or get involved with the Queen's Jubilee and 38% for the FIFA World Cup, representing great chances for convenience stores to maximise sales of soft drinks.¹¹¹

TOP TIPS FOR SEASONAL SOFT DRINKS SUCCESS

Cross category opportunities

Link soft drinks to events and cross category promotions. For Easter and Christmas, look to link party food such as crisps and nuts with family favourite soft drinks such as Robinsons core squash range, Robinsons Fruit Creations, Pepsi MAX™, 7UP Free and J2O. For summer, place more emphasis on linking mixers with spirits for adult socialising and snacks with on-the-go refreshment such as Lipton Ice Tea and Purdey's

Premium offers

Ensure premium offers are included in displays to drive trade up at point of purchase, such as J2O Spritz, Robinsons Cordials and Britvic Indian Tonic Water

Optimal merchandising

Offer the optimal soft drinks range that groups soft drinks by category – i.e. carbonates, energy drinks, wellness – to help signpost the category to enable shoppers to quickly and easily navigate displays.



VALUE SCRUTINY

At the other end of the scale, larger numbers of consumers are feeling the pinch from the pandemic and are looking to rein in their spend and make their money go further. Lumina data found 72% of consumers are using promotional offers when eating and drinking out of home¹¹². Offering 'good value for money' is the second most common reason for a consumer to choose a venue or delivery operator, driving 26% of occasions¹¹².

Operators will need to emphasise value for money credentials to consumers by demonstrating quality, and use promotions and special offers where appropriate. We are already seeing examples of this shift from major retail outlets – for instance, Costa Coffee has developed a range of meal deal options to boost its value for money credentials among shoppers. Elsewhere, Asda is also launching its first customer loyalty rewards scheme, having trialled it with 2,000 staff. Using the 'Asda Rewards' smartphone app, customers can earn rewards when they buy "star" products, including many of the supermarket's core own-label lines.



¹¹¹ Savvy Events Outlook 2022 – Savvy Shopping Panel

¹¹² Lumina Intelligence Channel Pulse, October 2021, Eating & Drinking out panel, Convenience tracking program

Price remains a key factor for soft drinks but becomes less influential (-8% vs last year) as impulse missions rise¹¹³. However, convenience retailers must be alert to the budget pressures of these customers and adapt their soft drinks ranges accordingly to offer more value-friendly options.

+43.9%

OF SALES IN THIS CHANNEL
NOW GO THROUGH AS PMP¹⁷

PMPs remain key for the convenience market, giving price reassurance and a greater perception of value for money – 43.9% of sales in this channel now go through as PMP, an increase from 38.1% in 2019¹¹⁴. Pressured shoppers are also expected to move toward smaller transactions and smaller pack sizes in a bid to make their money stretch further.



Retailers can meet these shopper needs by stocking market leading brands in added-value pack formats. Pepsi MAX™ 6pk PMP, for example, will help give these shoppers an easier way to buy into the soft drinks category.

AFTER THE RECENT DOOM AND GLOOM OF THE PANDEMIC, SHOPPERS ARE INCREASINGLY LOOKING AT NEW WAYS TO BRING ABOUT POSITIVITY TO THEIR LIVES BY MAKING INDULGENT SHOPPING PURCHASES.

This 'lipstick effect' – where shoppers look to treat themselves in recessionary times regardless of changes to disposable income – presents opportunities for retailers to take advantage of shoppers on a treating mission, which are increasing by 9%¹¹⁵ on a total basis. Much of this growth is being driven by families, who on average spend +8% more, visit +4% more often, and spend +2% longer in store while on a treat mission compared to a typical convenience shopper.¹¹⁵

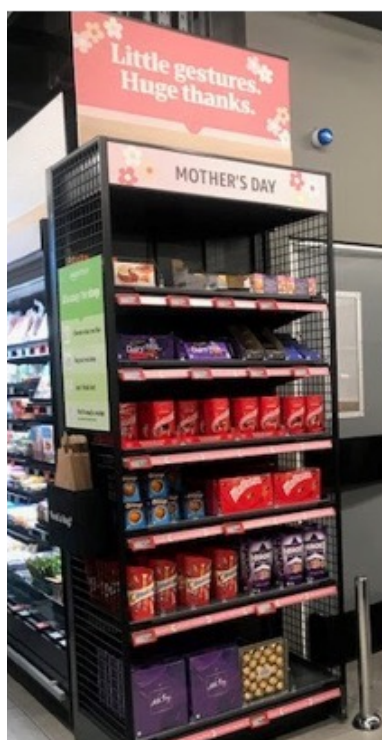
Shoppers on a treat mission are willing to cut back on more expensive purchases in order to trade up on smaller, more premium indulgences. This represents a key opportunity for convenience stores who can offer this treat to the value sensitive shoppers, whether this be snacks or replacing a meal out with a meal-for-tonight solution. The key remains to emphasise the value of these products and the offer, as the quality of the product is often the key decision maker when making these purchases – with 75% of people saying they are happy to pay more for what they consider to be higher quality goods.¹¹⁵

WE ARE SEEING GROWTH OF THE TREAT MISSION OUTSIDE OF SOFT DRINKS AS RETAILERS DRIVE ATTENTION TO TREAT AND VALUE.

¹¹³ Lumina Intelligence CTP 12WE 07/02/2021 vs 12WE 09/01/2022

¹¹⁴ IRI – Total Convenience – Total Soft Drinks Category – 52WE 26/12/21 vs 52WE 29/12/19

¹¹⁵ Lumina Intelligence Convenience Tracking Program 52WE 14/11/2021



Due to the high impulse nature of soft drinks, it has a significant role to play in winning in the treat missions. Convenience retailers should consider cross category promotions from secondary displays to include soft drinks and snacks. Clearly calling out the offer to customers and linking the category categories, crisps and snacks are the most commonly found items in a shopper's basket with soft drinks¹¹⁶. This will help convenience store to maximise the treat occasion with soft drinks.

The low-ticket nature of meal deals means it is well placed to capitalise on increased value scrutiny from consumers in 2022. As the general purchase for meal deals is one of necessity when out and about, this sector is forecasted to continue its growth in convenience stores over the next year. The food to go market was worth £16.2 billion in 2021, a significant increase from 2020 (+38%), which was so heavily impacted by the pandemic and ongoing restrictions.¹¹⁷

THE CONVENIENCE STORE FOOD TO GO BUSINESS IS FORECASTED TO SEE A SIMILAR TREND WITH PROJECTED GROWTH OF 34% IN 2022, RETURNING TO PRE-PANDEMIC LEVELS OF £6 BILLION¹¹⁷.

This projected increase is largely down to consumer travel patterns returning to more 'normal' levels. The change in travel patterns has led to fewer top up missions in local stores but the number of food to go missions in convenience has been recovering and stabilising since April – peaking at 16% share of total shopper missions¹¹⁸.

In order to win in this environment, retailers will need to think how they continually evolve their food to go offer to help tempt shoppers back to the food to go category. Retailers will need to create more compelling, as well as healthier options to take advantage of the growing health trend – with almost half of NPD in this category being salads, sandwiches or wraps¹¹⁷.

116 Lumina CTP Category Fact Sheets November 2021

117 Lumina Intelligence UK Food to Go Market Report 2022

118 Lumina Intelligence – Q4 Convenience Strategy Forum Debrief - Mission over Time – Dec 21

The same health trends can be seen in soft drinks, with flavoured water, fruit drinks and iced coffee being among the top five share of new drinks by type in the first quarter of 2022.¹¹⁷ Brands are capitalising on this trend with new launches and extensions to existing ranges. This includes Aqua Libra, which added an Blood Orange & Mango flavour at the start of the year to offer consumers more choice in the flavoured water segment.

Retailers looking to take full advantage of this opportunity must clearly communicate a food to go meal deal that includes a range of soft drinks, snacks, and sandwiches. Unlocking secondary displays for soft drinks in food to go deals will drive additional impulse sales, as will expanding meal deals with more soft drinks options that fit into growth areas such as premium and health. Cola and fruit carbonates are also fantastic options to include in food to go deals. Cola is the second most consumed soft drink with food occasions outside the home¹¹⁹, and fruit flavoured carbonates are the third most consumed drink with food in home.¹²⁰

As the recessionary environment hits, we expect to see growth in at home family dining and at home socialising, with soft drinks playing a key role both these occasions. Soft drinks are a key component in the food to go mix within convenience, with over a third of shoppers seeking out soft drinks while on a food to go mission.¹²¹ However, only 4% of soft drinks shoppers are on a meal for tonight mission, behind the convenience store average of 7%, showing there is further headroom for growth.¹²²

The squash category also provides a great value offering for families. For example, Robinsons – the squash brand leader in the convenience channel¹²³ – offers a 900ml PMP bottle at £1.49, offering a cost-effective solution to family shoppers at just 6p per serve. For those looking for more of a treat with their meal, retailers can cater to this need with ‘better’ (i.e. Robinsons Creations and Ribena) and ‘best’ (i.e. Bottle Green and Robinsons Cordials) squash options. Better and best squash ranges are already playing a major role in mealtime occasions, with better over indexing in ‘lunch’ and ‘evening meal’ occasions when compared to total squash.¹²⁴ Meanwhile, best over indexes in ‘evening’ and ‘two person’ occasions versus total flavour concentrates.¹²⁴ There is a great sales opportunity for retailers who stock these ranges, but they must ensure that these lines are merchandised correctly to drive up trade up. A total of 42% of consumers want advice on pairing squashes and cordials with meals¹²⁵, so providing meal suggestions with relevant products is another important consideration for convenience stores, symbols and independents.

MAKING THE MOST OF THE MEAL DEAL OCCASION

There were 12.7 billion at home socialising occasions in the last year¹²⁶ with soft drinks featuring in 4.1 billion (32%) of those occasions.¹²⁷ This represents a great chance for convenience retailers to elevate their sales by expanding their range of premium soft drinks to meet this growing demand. Adult soft drinks and mixers such as London Essence and J2O offer a greater perception of quality and can be linked in with cross category promotions on alcohol and snacks to target shoppers looking to enhance at home social events.



119 Kantar – Usage Panel – Britvic Defined Flavoured Carbonates - On-Trade Food Occasions % - 52 wks – 30.09.21 |

120 Kantar – WPO – Usage Panel – Total Soft Drinks – Flavoured Carbs – Food Occasions % - 52 w.e – 05.11.21

121 Lumina Intelligence CTP (16/11/21 -17/10/21)

122 Lumina Intelligence Category Fact Sheets – Soft Drinks Impulse - CTP (16/11/21 -17/10/21)

123 IRI – Total Convenience – Total Squash - Value Share by Brand – 52WE 20/01/22

124 Kantar Worldpanel, Usage Panel, Britvic Defined Dilutes, Data 52 w.e.16.5.21

125 Mintel Cordials and Squashes – UK – March 2021

126 Kantar Worldpanel, In Home Usage Panel, Kantar & Britvic-defined segments, Frequency of Purchase, 52wks Data to 11th July 2021

127 Kantar Worldpanel, Britvic-defined Adult Soft Drinks, In Home usage panel, 52 wks data to 16th May 2021, Social Occasions defined as: ‘Treat’, ‘Social’, ‘Special’, ‘Celebration’, ‘Together Time’, ‘Romantic’ combined

TOTAL SOFT DRINKS/TAKE HOME/SINGLE SERVE: ANNUAL CHANGES

	Value/£m	Value growth actual YA/£m	Value growth % YA	Litres	Litres growth actual YA	Litres growth % YA
Total soft drinks	£2,481	£251	11%	1383	6.8	5%
Total take home	£717	-£26	-3%	681	-3.1	-4%
Total on the go	£1,764	£277	19%	702	9.8	16%

IRI – Total Convenience – Total Soft Drink, Deferred & Immediate – Value/ Volume – 52we 23/01/22 vs LY

SOFT DRINKS SUB-CHANNEL PERFORMANCE IN CONVENIENCE

	Convenience	Value growth actual YA/£m	Petrol	High Street	Travel
Size of channel (£m)	£2,481	£1,898	£221	£242	£85
Take home vs on the go £%	29% / 71%	31% / 69%	16% / 84%	30% / 70%	9% / 91%
% Growth	11%	11%	14%	3%	42%
Actual growth (£m)	£251	£184	£27	£7	£25

IRI – Total Convenience, Symbols & Independents, Petrol, High Street, Travel – Total Soft Drink, Deferred Soft Drink, Immediate soft drink – Value Sales – 52WE 23/01/22 vs YA

SOFT DRINK CATEGORY WINNERS & LOSERS

2021 categories in growth	Value	Value Growth Actual YA	Value Growth % YA
Total stimulants	£ 666,201,984	£ 116,151,040	21.1
Total plain water	£ 183,045,104	£ 30,767,264	20.2
Total juice drinks	£ 154,218,576	£ 27,094,216	21.3
Total fruit carbs	£ 274,002,848	£ 23,335,136	9.3
Total cola	£ 617,387,776	£ 23,227,648	3.9
Total sports	£ 100,453,408	£ 22,678,880	29.2
Total water plus	£ 97,122,080	£ 17,020,024	21.2
Total cold hot drinks	£ 18,700,940	£ 5,307,585	39.6
Total glucose	£ 128,706,480	£ 3,647,048	2.9
Total pure juice	£ 66,178,104	£ 1,211,076	1.9
Total non-fruit carbs	£ 61,209,428	£ 921,276	1.5
Total smoothies	£ 13,711,307	£ 783,352	6.1

IRI – Total Convenience – Total Soft Drink Categories Britvic Defined – Value Sales – 52WE 23/01/22 vs YA

2021 categories in decline	Value	Value Growth Actual YA	Value Growth % YA
Total lemonade	£ 38,112,172	-£ 5,322,620	-12.3
Total traditional mixers	£ 23,538,302	-£ 7,019,576	-23.0
Total squash	£ 38,554,704	-£ 8,834,496	-18.6

IRI – Total Convenience – Total Soft Drink Categories Britvic Defined – Value Sales – 52WE 23/01/22 vs YA

TOP 10 BRAND WINNER IN CONVENIENCE: RANKED BY VALUE CHANGE VS YEAR AGO

	Value/£m	Value growth actual YA/£m	Value growth % YA
Total Red Bull	£ 288,451,733	£ 50,240,323	21.1
Total Monster Juice	£ 66,132,784	£ 22,725,338	52.4
Total Coca Cola	£ 276,310,710	£ 17,517,284	6.8
Total Monster Ultra	£ 54,859,111	£ 14,864,422	37.2
Total Lucozade Sport	£ 63,331,509	£ 14,191,682	28.9
Total Oasis	£ 42,245,287	£ 10,727,077	34.0
Total Evian	£ 50,862,655	£ 8,964,288	21.4
Total Monster Energy	£ 64,988,691	£ 8,702,880	15.5
Total Rubicon Raw Energy	£ 8,270,573	£ 8,270,573	N/A
Total Coca Cola Zero	£ 57,764,756	£ 7,578,659	15.1

IRI – Total Convenience – Total Soft Drink Brands Britvic Defined – Value Sales – 52WE 23/01/22 vs YA

TOP 25 NPD

	Value
Total Monster Juice Stimulants Nectarine/Peach	£15,426,871
Total Rubicon Raw Energy Stimulants Blueberry/Raspberry	£3,139,633
Total Rubicon Raw Energy Stimulants Mango/Orange	£2,815,369
Total Monster Ultra Stimulants Ginger	£2,634,972
Total Red Bull Stimulants Cactus Fruit	£2,459,214
Total Tango Sugar Free Fruit Carbs Dark Berry	£2,391,819
Total Monster Absolutely Zero Stimulants Tropical Fruit	£2,047,529
Total Rubicon Raw Energy Stimulants Cherry/Pomegranate	£1,760,104
Total Robinsons Ready To Drink Juice Drinks Apple/Raspberry	£1,674,506
Total Lucozade Energy Glucose Original	£1,534,736
Total Pepsi MAX™ Cola Cola/Lime	£1,301,091
Total Lucozade Energy Glucose Raspberry Ripple	£1,213,152
Total Volvic Touch of Fruit Water Plus Orange/Pineapple	£881,119
Total Robinsons Ready To Drink Juice Drinks Mango/Peach	£791,135
Total Lucozade Alert Stimulants Cherry	£745,232
Total Lucozade Alert Stimulants Tropical	£615,962
Total Rubicon Fruit Carbs Pineapple/Raspberry	£532,689
Total Purdeys Refocus Glucose Dark Fruits	£503,083
Total Boost Energy Stimulants Mango	£472,451
Total Reign Stimulants Orange	£346,741

IRI – Total Convenience – Soft Drink NPD – 52w/e to 26/12/21

MANUFACTURER PERFORMANCE (TOP TEN) CONVENIENCE GB

	Value	Value Growth Actual YA	Value Growth % YA
Total CC Enterprises Ltd	£ 982,851,840	£ 106,363,264	12.1
Total Red Bull Ltd	£ 290,719,456	£ 51,345,100	21.4
Total Danone Waters Ltd	£ 139,006,784	£ 25,921,168	22.9
Total Suntory Beverage & Food GB&I	£ 231,634,784	£ 23,348,416	11.2
Total A G Barr PLC	£ 121,346,912	£ 12,524,536	11.5
Total Highland Spring Ltd	£ 27,308,244	£ 4,285,342	18.6
Total Britvic UK PLC	£ 313,581,280	£ 3,723,968	1.2
Total Nestle Waters Ltd	£ 34,147,658	£ 3,180,737	10.3
Total Boost Drinks Ltd	£ 25,944,314	£ 3,025,713	13.2
Total Vimto Drinks Ltd	£ 30,988,068	£ 2,902,451	10.3

Total Convenience – Total Soft Drink by Manufacturer - Value sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE CONVENIENCE GB

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£2,448,946,688	£196,708,096	8.7%	1,373,848,192	47,831,936	3.6%
Total cola	£611,542,720	£13,411,072	2.2%	384,011,680	180,352	0.0%
Total cold hot drinks	£18,028,742	£4,271,543	31.0%	7,357,051	1,648,679	28.9%
Total fruit carbs	£270,864,896	£18,420,704	7.3%	167,192,608	4,218,992	2.6%
Total glucose	£127,508,704	£18,496	0.0%	55,857,112	-340,868	-0.6%
Total juice drinks	£151,739,488	£22,649,224	17.5%	71,468,256	7,920,736	12.5%
Total lemonade	£38,177,504	-£4,929,596	-11.4%	55,745,508	-10,396,736	-15.7%
Total non-fruit carbs	£61,155,056	-£119,044	-0.2%	51,707,508	-2,943,808	-5.4%
Total plain water	£178,608,624	£20,307,776	12.8%	168,296,704	13,600,400	8.8%
Total pure juice	£65,561,104	£135,160	0.2%	33,254,686	-1,218,854	-3.5%
Total smoothies	£13,524,355	-£223,962	-1.6%	2,848,467	-65,061	-2.2%
Total sports	£98,200,968	£18,167,752	22.7%	55,594,244	9,322,744	20.1%
Total squash	£38,750,540	-£8,587,088	-18.1%	26,036,130	-5,519,264	-17.5%
Total stimulants	£656,274,816	£107,458,752	19.6%	205,830,512	23,741,904	13.0%
Total traditional mixers	£23,838,678	-£6,406,028	-21.2%	16,849,512	-5,010,272	-22.9%
Total water plus	£95,170,384	£12,133,208	14.6%	71,798,224	12,693,008	21.5%
Total cola immediate	£333,542,176	£22,853,760	7.4%	134,166,352	8,290,448	6.6%

IRI – Total Convenience– Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE HIGH STREET

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£239,850,976	-£598,896	-0.2%	144,724,256	-9,735,264	-6.3%
Total cola	£71,702,240	-£2,581,192	-3.5%	50,304,324	-3,953,420	-7.3%
Total cold hot drinks	£1,612,148	£295,903	22.5%	659,400	102,884	18.5%
Total fruit carbs	£26,960,618	£1,358,852	5.3%	18,178,844	321,972	1.8%
Total glucose	£13,678,722	-£1,127,096	-7.6%	6,744,775	-1,322,245	-16.4%
Total juice drinks	£15,142,085	£89,272	0.6%	7,724,892	-162,963	-2.1%
Total lemonade	£2,927,119	-£590,169	-16.8%	5,643,486	-1,141,433	-16.8%
Total non-fruit carbs	£5,036,088	-£315,246	-5.9%	3,719,775	-357,062	-8.8%
Total plain water	£14,124,814	£200,925	1.4%	14,128,596	-1,874,696	-11.7%
Total pure juice	£7,634,579	£96,165	1.3%	3,325,958	-44,787	-1.3%
Total smoothies	£4,145,944	-£73,879	-1.8%	992,666	-57,861	-5.5%
Total sports	£7,894,249	£1,134,040	16.8%	3,374,728	530,393	18.6%
Total squash	£3,648,775	-£1,242,350	-25.4%	2,587,654	-902,488	-25.9%
Total stimulants	£52,005,676	£1,971,512	3.9%	17,096,556	-452,742	-2.6%
Total traditional mixers	£1,685,456	-£422,469	-20.0%	1,605,631	-467,968	-22.6%
Total water plus	£11,652,464	£606,836	5.5%	8,636,975	47,161	0.5%
Total cola immediate	£36,905,556	£852,924	2.4%	15,399,138	-114,854	-0.7%

IRI –Total High Street – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE SYMBOLS & INDEPENDENTS

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£1,875,211,776	£152,941,440	8.9%	1,106,964,864	43,518,976	4.1%
Total cola	£471,383,584	£9,879,584	2.1%	306,656,448	2,179,840	0.7%
Total cold hot drinks	£12,009,970	£2,915,046	32.1%	5,324,576	1,233,246	30.1%
Total fruit carbs	£218,490,544	£12,689,296	6.2%	138,283,424	1,507,136	1.1%
Total glucose	£97,089,608	£4,272	0.0%	43,841,872	859,624	2.0%
Total juice drinks	£115,928,480	£18,433,032	18.9%	57,422,788	6,841,460	13.5%
Total lemonade	£32,906,918	-£4,563,630	-12.2%	48,011,112	-9,267,572	-16.2%
Total non-fruit carbs	£52,819,052	-£406,764	-0.8%	46,689,812	-2,791,152	-5.6%
Total plain water	£118,278,616	£16,872,112	16.6%	125,567,992	13,755,648	12.3%
Total pure juice	£47,410,484	-£1,301,144	-2.7%	27,012,430	-1,478,652	-5.2%
Total smoothies	£4,621,190	£125,446	2.8%	1,134,930	74,117	7.0%
Total sports	£78,537,776	£14,725,860	23.1%	48,414,260	8,063,352	20.0%
Total squash	£34,081,052	-£7,227,876	-17.5%	22,913,880	-4,528,202	-16.5%
Total stimulants	£507,867,456	£89,278,464	21.3%	167,743,664	21,188,656	14.5%
Total traditional mixers	£21,204,060	-£5,840,848	-21.6%	14,860,691	-4,445,671	-23.0%
Total water plus	£62,582,992	£7,358,584	13.3%	53,086,924	10,327,036	24.2%
Total cola immediate	£241,303,408	£16,315,024	7.3%	100,192,168	6,793,472	7.3%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE PETROL & TRAVEL

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£333,883,872	£44,365,472	15.3%	122,159,152	14,048,336	13.0%
Total cola	£68,456,896	£6,112,644	9.8%	27,050,922	1,953,930	7.8%
Total cold hot drinks	£4,406,625	£1,060,595	31.7%	1,373,074	312,548	29.5%
Total fruit carbs	£25,413,740	£4,372,574	20.8%	10,730,342	2,389,888	28.7%
Total glucose	£16,740,380	£1,141,328	7.3%	5,270,464	121,750	2.4%
Total juice drinks	£20,668,916	£4,126,912	24.9%	6,320,575	1,242,238	24.5%
Total lemonade	£2,343,466	£224,204	10.6%	2,090,910	12,270	0.6%
Total non-fruit carbs	£3,299,915	£602,964	22.4%	1,297,922	204,406	18.7%
Total plain water	£46,205,200	£3,234,744	7.5%	28,600,118	1,719,446	6.4%
Total pure juice	£10,516,042	£1,340,140	14.6%	2,916,299	304,585	11.7%
Total smoothies	£4,757,222	-£275,530	-5.5%	720,871	-81,317	-10.1%
Total sports	£11,768,940	£2,307,851	24.4%	3,805,257	729,000	23.7%
Total squash	£1,020,714	-£116,860	-10.3%	534,596	-88,573	-14.2%
Total stimulants	£96,401,720	£16,208,816	20.2%	20,990,290	3,005,990	16.7%
Total traditional mixers	£949,161	-£142,712	-13.1%	383,191	-96,633	-20.1%
Total water plus	£20,934,932	£4,167,793	24.9%	10,074,323	2,318,808	29.9%
Total cola immediate	£55,333,200	£5,685,792	11.5%	18,575,048	1,611,834	9.5%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE SYMBOLS

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£1,125,240,064	£90,089,472	8.7%	682,615,936	31,880,896	4.9%
Total cola	£288,734,656	£7,919,008	2.8%	192,188,672	3,501,456	1.9%
Total cold hot drinks	£6,400,266	£1,366,857	27.2%	2,939,296	688,611	30.6%
Total fruit carbs	£131,060,248	£7,805,144	6.3%	86,736,080	2,348,288	2.8%
Total glucose	£59,012,256	£743,216	1.3%	27,305,992	955,874	3.6%
Total juice drinks	£67,937,528	£9,655,636	16.6%	34,135,920	4,164,708	13.9%
Total lemonade	£20,932,244	-£2,507,816	-10.7%	31,630,332	-5,256,948	-14.3%
Total non-fruit carbs	£32,766,570	£357,948	1.1%	30,120,498	-901,962	-2.9%
Total plain water	£63,325,580	£7,794,160	14.0%	71,123,656	7,147,252	11.2%
Total pure juice	£30,175,728	-£1,630,880	-5.1%	17,965,644	-1,087,104	-5.7%
Total smoothies	£3,301,147	-£145,252	-4.2%	862,637	7,346	0.9%
Total sports	£47,215,432	£8,560,332	22.1%	29,200,498	5,040,422	20.9%
Total squash	£23,025,450	-£4,109,900	-15.1%	15,733,497	-2,625,415	-14.3%
Total stimulants	£300,735,488	£54,185,408	22.0%	100,147,248	14,180,120	16.5%
Total traditional mixers	£12,961,779	-£3,401,294	-20.8%	9,498,259	-2,737,444	-22.4%
Total water plus	£37,655,684	£3,496,888	10.2%	33,027,720	6,455,724	24.3%
Total cola immediate	£138,305,952	£9,751,416	7.6%	58,065,992	4,775,016	9.0%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE PETROL MULTIPLES

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£252,066,416	£29,995,856	13.5%	94,284,968	10,085,640	12.0%
Total cola	£53,224,520	£3,423,388	6.9%	22,053,456	1,201,982	5.8%
Total cold hot drinks	£2,511,838	£518,574	26.0%	808,089	159,074	24.5%
Total fruit carbs	£17,927,812	£2,391,390	15.4%	8,009,342	1,543,791	23.9%
Total glucose	£13,661,861	£717,107	5.5%	4,453,325	63,446	1.4%
Total juice drinks	£15,137,533	£2,975,900	24.5%	4,701,789	909,119	24.0%
Total lemonade	£2,124,429	£99,819	4.9%	2,015,328	-21,379	-1.0%
Total non-fruit carbs	£1,931,287	£286,849	17.4%	840,502	128,475	18.0%
Total plain water	£29,854,942	£3,269,372	12.3%	20,630,792	2,076,698	11.2%
Total pure juice	£7,152,342	£732,181	11.4%	2,205,768	178,488	8.8%
Total smoothies	£2,629,458	-£242,819	-8.5%	412,563	-52,002	-11.2%
Total sports	£9,945,629	£1,774,737	21.7%	3,299,005	602,013	22.3%
Total squash	£888,887	-£106,327	-10.7%	479,467	-82,188	-14.6%
Total stimulants	£84,555,688	£13,257,256	18.6%	18,593,336	2,444,591	15.1%
Total traditional mixers	£944,260	-£131,570	-12.2%	381,251	-95,891	-20.1%
Total water plus	£9,575,933	£1,030,008	12.1%	5,400,957	1,029,422	23.5%
Total cola immediate	£40,855,344	£3,220,132	8.6%	13,949,227	976,212	7.5%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

SEGMENT PERFORMANCE TRAVEL

	Value	Value growth actual YA	Value growth % YA	Litres	Litres Growth Actual YA	Litres Growth % YA
Total soft drinks	£81,817,464	£14,369,616	21.3%	27,874,182	3,962,694	16.6%
Total cola	£15,232,381	£2,689,263	21.4%	4,997,465	751,946	17.7%
Total cold hot drinks	£1,894,787	£542,022	40.1%	564,985	153,474	37.3%
Total fruit carbs	£7,485,928	£1,981,184	36.0%	2,721,001	846,097	45.1%
Total glucose	£3,078,519	£424,222	16.0%	817,140	58,304	7.7%
Total juice drinks	£5,531,384	£1,151,013	26.3%	1,618,785	333,118	25.9%
Total lemonade	£219,037	£124,384	131.4%	75,582	33,648	80.2%
Total non-fruit carbs	£1,368,628	£316,115	30.0%	457,420	75,931	19.9%
Total plain water	£16,350,257	-£34,629	-0.2%	7,969,326	-357,253	-4.3%
Total pure juice	£3,363,701	£607,960	22.1%	710,531	126,097	21.6%
Total smoothies	£2,127,764	-£32,711	-1.5%	308,308	-29,315	-8.7%
Total sports	£1,823,311	£533,113	41.3%	506,251	126,987	33.5%
Total squash	£131,826	-£10,533	-7.4%	55,129	-6,385	-10.4%
Total stimulants	£11,846,037	£2,951,565	33.2%	2,396,954	561,398	30.6%
Total traditional mixers	£4,902	-£11,142	-69.4%	1,939	-742	-27.7%
Total water plus	£11,358,999	£3,137,785	38.2%	4,673,367	1,289,387	38.1%
Total cola immediate	£14,477,858	£2,465,660	20.5%	4,625,822	635,622	15.9%

IRI –Total Symbols and Independents – Total Soft Drink and Soft Drinks Categories - Value and Volume Sales Abs and vs LY – 52WE 26/12/21

GLOSSARY

COLA

Cola-flavoured carbonated drinks, including cola with flavours such as cherry, twist of lemon, etc. Includes all clear and coloured colas

COLD HOT DRINKS

Ice tea and ice coffee. IRI data cold hot drinks refers to only ice tea.

DIET VS STANDARD

Diet Brands and NAS Brands. Diet Brands (e.g. Diet Coke) are items described as Low Calorie/Low Sugar or Caffeine Free and NAS brands = Zero brands (e.g. Pepsi MAX and Coke Zero) are items described as No Added Sugar, NAS, N.A.S, or Sugar Free. Standard - All other products, including plain water

DILUTES (ALSO SEE SQUASH)

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

FLAVOURED CARBONATES

Flavours are typically orange, cherry, lime, blackcurrant, apple, pineapple and grapefruit, lemon, lemon and lime, tropical and other mixed fruit flavours. Also includes Tizer, Dr Pepper and Vimto, as these brands contain fruit

JUICE DRINKS

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

LEMONADE

All conventional clear and cloudy or traditional, carbonated lemonade; flavoured with lemon juice and additional fruit flavours to produce coloured lemonade

MISSIONS (ALSO SHOPPER MISSIONS)

The purpose for which a shopper visits an outlet.

MIXERS

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

NATURAL ENERGY

Any product that calls out energy/boost/lift/pick me up/power/tiredness reduction as the primary benefit AND either specifically calls out natural/organic ingredients OR only contains pure ingredients (e.g. juices). In addition to this rule, we are assuming that espresso is naturally seen as energy giving so any espresso-based product, unless filled with added artificial ingredients, or where the primary need state is indulgence, would be included

NON-FRUIT FLAVOURED CARBONATES

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

OCCASIONS

The reason for consumption, e.g. routine meal together

OOH

Out of Home. Includes Retail, Travel & Leisure

PURE JUICE (OTHER)

A non-carbonated 100% pure juice or other juice blend with no added water or sweetener, that may be chilled or longlife. Includes all concentrated juices, with the exception of frozen juice

SMOOTHIES

Generally drinks described as smoothie, either in brand name or as a descriptor on the packaging

SPORTS DRINKS

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

SQUASH (ALSO SEE DILUTES)

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

STILLS

Collective term for the non-carbonated segments

STIMULANTS

All 'energy boosting' drinks such as Red Bull, normally fizzy

WATER

Still or sparkling water with nothing else added

WATER PLUS / FLAVOURED WATER

Sparkling or still flavoured water

