September 12, 2024

Fevertree Drinks plc

FY24 Interim Results to 30 June 2024

FY24 Interim Highlights

- The Fever-Tree brand delivered revenue growth of 2% year-on-year at constant currency, against a subdued consumer backdrop and poor weather in the second quarter across the UK and Europe.
- Strong summer trading post period-end with growth of +13% for the Fever-Tree brand in July and August.
- Continued good growth in the US, extending our market share and number one position in Tonic Water and Ginger Beer categories, driven by distribution gains and flavour and format innovation.
- Significant operational progress driving 520 bps of gross margin improvement and c.80% increase in Adjusted EBITDA as we begin to deliver substantial Group margin recovery.
- Recommending an interim dividend of 5.85 pence per share, an increase of 2% year-on-year.

£m	H1 FY24	H1 FY23	*Change*	*Constant Currency Change*
Revenue				
UK	50.9	53.8	*(6)%*	
US	60.3	56.1	*7%*	*10%*
Europe Fever-Tree brand revenue	44.5	50.5	*(12)%*	*(10)%*
ROW	14.9	9.6	*56%*	*57%*
Total Fever-Tree revenue	**170.6**	**170.0**	***0%***	***2%***
GDP brand revenue	2.3	5.6	*(59)%*	
Total Group revenue	**172.9**	**175.6**	***(2)%***	***0%***
Gross profit	**62.0**	**53.8**	***15%***	
Gross margin	*35.9%*	*30.7%*	*520bps*	
Adjusted EBITDA[1]	**18.2**	**10.2**	***79%***	
Adjusted EBITDA margin	*10.5%*	*5.8%*	*470bps*	
Diluted EPS (pence per share)	6.49	0.94	*590%*	
Dividend (pence per share)	5.85	5.74	*2%*	
Cash	65.9	75.8	*(13)%*	

Strategic Highlights

- Growing market share in all of our key regions, demonstrating the strength of the Fever-Tree brand.
- Continued diversification of the portfolio to cater to evolving consumer preferences across drinks categories. Non-Tonic products now comprise over 40% of global revenues, driven by strong growth of Ginger Beer and a growing position in cocktail mixers and adult soft drinks.
- Good progress on key operational initiatives and softening inflationary headwinds underpin our confidence in further margin recovery in the second half of the year. The Group remains on-track to deliver c.600 bps of gross margin improvement for the full year, as well as ongoing improvement over the medium term.
- Strong Balance Sheet, which is a significant competitive advantage over many of our premium mixer competitors globally and enables the opportunity to invest for growth. The Group anticipates being in a position to return surplus cash to shareholders during FY25.

[1]Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share based payment charges, exceptional items and finance costs

Outlook and Guidance

The Group has made a strong start to the second half of the year across all of our regions. We expect to deliver brand growth for the second half of c.7% to c.10%, resulting in revenue growth of c.4% to c.5% across the full year for the Fever-Tree brand.

We continue to make significant operational progress and are on track to deliver c.600bps of gross margin improvement. We will continue to invest behind the brand with c.£90m of overhead spend over the full year, in-line with expectations.

Tim Warrillow, CEO of Fever-Tree, commented:

"The Fever-Tree brand performed well against a tough market backdrop. We continued to deliver double digit revenue growth in the US at constant currency, as well as a strong performance in our ROW region. The first half performance in the UK and Europe was impacted by unseasonable weather at the start of summer alongside distributor order phasing in Europe, but we have seen a strong improvement in these regions as the summer belatedly arrived.

Whilst the first half was challenging, we are controlling the controllables. We have delivered substantial margin improvement, resulting in a c.80% increase in EBITDA year-on-year, as well as driving share gains against the competition across all our regions, demonstrating the growing strength of the Fever-Tree brand.

We're optimistic of an acceleration of growth across the second half of the year and have seen a much more positive trading performance in July and August.

Looking further ahead, our continued investment in the brand and focus on innovation in recent years ensures we are better positioned than ever to capitalise on the long-term drink trends, both in terms of continued spirit growth and premiumisation but also as adults continue to seek out a broader range of premium drinks, both with and without alcohol."

There will be live audio webcast on Thursday 12th September 2024 at 10:00am BST. The webcast can be accessed via:
Fever-Tree FY24 Interim Results webcast

For more information please contact:

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Strategic Update

£m	H1 FY24	H1 FY23	*change*	*constant currency change*
Revenue				
UK	50.9	53.8	*(6)%*	
US	60.3	56.1	*7%*	*10%*
Europe Fever-Tree brand revenue	44.5	50.5	*(12)%*	*(10)%*
ROW	14.9	9.6	*56%*	*57%*
Total Fever-Tree brand revenue	**170.6**	**170.0**	***0%***	***2%***

The Fever-Tree brand delivered revenue of £170.6m, an increase of 2% year-on-year at constant currency, against a challenging consumer backdrop. The Group has continued to make strategic progress, increasing the brand's market share across all key markets, as well as delivering strong margin improvement in the first half of the year.

In the US, ongoing distribution gains and market share increases delivered double-digit growth at constant currency in the first half of the year, and underlying growth alongside the lapping of the transition to our own subsidiary in Australia enabled the Group to deliver 57% constant currency growth in the Rest of World region. In the UK and Europe, the first half performance was impacted by unseasonable weather in the second quarter, as well as differences in the phasing of European distributor orders year-on-year.

The Group delivered a significant gross margin improvement of 520 bps year-on-year in H1, driven by improved glass bottle pricing, the contracting of more favourable trans-Atlantic freight rates, alongside net price increases with customers across our key markets. We are on track to deliver c. 600 bps of gross margin improvement over the full year and remain well-placed to continue to drive gross margin improvement in 2025 and beyond.

The Group's innovation continues to target a broader range of adult drinks and occasions. As a result, the breadth of our range and our increasingly strong competitive position across the world means that the brand is better placed than ever to take advantage of the increasing global desire for longer, lighter, better-quality drinks that can be consumed with or without alcohol.

US I Fever-Tree is growing share and outperforming the market

Fever-Tree's US revenue for the first half of the year increased by 7% to £60.3m (+10% at constant currency) as the brand extended its leadership position in both Tonic Water and Ginger Beer, growing ahead of every competitor in both categories[2].

Fever-Tree had another strong performance in the Off-Trade, with retail sales growth of 19% year-on-year[2], driven by continued distribution gains, as well as the flavour expansion and success of our 150ml can format which grew by more than 50% year-on-year.

The On-Trade also performed well, delivering strong growth as we remain focused on not only expanding the accounts we're present in but also increasing the number of products we have per account. To this end, we've increased our number of points of On-Trade distribution by c.16% year-on-year, with significant new wins with Hilton and Marriott Hotels, Soho House and STK Steakhouse.

The brand has a significant opportunity to continue to drive growth through flavour and product innovation as we leverage our unrivalled knowledge of mixing trends and consumer insights to create new mixers across a range of different spirit categories. Three of our newest products, Margarita, Light Margarita and Bloody Mary, have gained good traction in the market and we are also excited to be introducing Espresso Martini in the US later this year. We have also continued to increase the scale and breadth of our marketing and activations, including our PGA Tour partnership and high-profile bar takeovers, whilst we have successfully trialed our first connected TV campaign.

[2] Nielsen 26 weeks to 15 June 2024

UK I Fever-Tree remains the mixer of choice despite a tough market backdrop

Fever-Tree's revenue declined by 6% in the UK to £50.9m, as the wider On-Trade channel remained challenged, with poor weather and a soft Gin category impacting performance. Despite these difficult conditions, Fever-Tree performed well relative to the category, and remains the clear number one mixer brand by value[3], with a higher household penetration than any other mixer brand[4].

In the Off-Trade, Fever-Tree's sales were broadly flat year-on-year despite declines in the wider mixer category. As a result, we gained c.0.7% value share over the last year[3] as we continue to be the mixer of choice for consumers. The brand also remains the clear leader of the premium segment, with a rate of sale roughly seven times faster than any other premium brand on-shelf[3].

Despite a challenging On-Trade environment over the last few years, Fever-Tree remains the largest brand by value across all mixer sub-categories[5], highlighting the strength of the brand for multiple drinking occasions. This is particularly important as consumer preferences continue to evolve and ensures Fever-Tree is best placed to offer solutions across the most popular serves for bars, pubs and restaurants.

Innovation remains central to the brand and is supporting our growth beyond Tonics in both the On- and Off-Trade. Rum, Vodka and Tequila have been the spirit categories gaining the most share over recent years[6], and have guided our new product development towards Flavoured Sodas, Cocktail Mixers, as well as driving growth of our well-established Gingers.

Consequently, while our Tonics remain our best-selling product, our non-Tonic categories are gaining share and driving growth, increasing their sales value by approximately 10% during the first half of 2024 and gaining c.3.6 percentage points of value share[7]. One of the most exciting parts of our innovation beyond Tonics has been the introduction of our new cocktail mixers last year, which have gained good distribution at UK retail and are encouraging younger consumers to discover and purchase the brand to create more exciting drinks at home.

Our marketing programmes in the UK have focused on demonstrating the versatility of the brand and how our range of mixers can be used with various spirits, or on their own. Cocktail mixers were showcased as part of an out-of-home campaign, highlighting the simplicity of creating a perfect cocktail, and we continue to use radio, podcasts and social media channels to ensure the brand remains top of mind for different social occasions.

Europe I Depletions ahead of sell-in as Fever-Tree continues to grow market share

The Fever-Tree brand declined by 12% (a 10% decline at constant currency). This result was impacted by the phasing of distributor orders, with depletions in market c.1% up year-on-year; a more representative reflection of our underlying performance in a region which was impacted by poor weather in the second quarter.

The On-Trade was particularly impacted by the weather, as well as low consumer confidence. However, Fever-Tree continues to gain distribution, positioning the brand well for the longer-term, as we expand our range to ensure we are offering accounts the opportunity to mix with Ginger Beer, Pink Grapefruit, as well as our range of flavoured Tonics and Sodas.

In the Off-Trade, Fever-Tree remains the number one premium mixer and continues to gain value share to drive premiumisation across Europe. The brand gained 1.6% value share within the premium mixer category, with significant gains in Southern Europe, particularly France, and the Nordics[8].

The brand is gaining distribution through a broad range of products as we continue to diversify. Key wins in the first half of this year included gains in Pink Grapefruit, and our Mojito and Margarita cocktail mixers. We have

[3] IRI 52 weeks to 7 July
[4] Kantar 52 weeks to 9 June 2024
[5] CGA MAT to 15 June 2024
[6] CGA to H1 to 15 June 2024 & Nielsen MAT to 16 Jun 24
[7] IRI H1 to 30 June 2024
[8] H1 2024 Nielsen top 12 EU markets (BE, NL, FR, SP, IT, AT, CH, DK, ROI, NO, SE, DE)

supported these launches through press engagement and co-promotions with Vodka and Tequila brands, with a focus on creating excitement around the Paloma serve.

And while Tonics remain the majority of our sales, our Ginger Beer is growing at pace, with 19% sales growth year-on-year in the first half of the year, 14% ahead of the market[8] as we extend our lead of this category and encourage its growing popularity, both as a mixer and as an adult soft drink.

In addition, the introduction of our Pink Grapefruit and Ginger Beer in 250ml cans in Benelux and Switzerland has presented new opportunities to sell the brand across more occasions and in more locations, with dedicated Fever-Tree branded fridges increasing the brand's visibility as an on-the-go option at petrol stations, in convenience stores, and at airports.

RoW I Strong growth following Australian subsidiary set-up last year

The Group increased sales in the Rest of the World region by 56% (57% at constant currency) to £14.9m, delivering good underlying growth whilst lapping the inventory buy-back in Australia during the transition to our new subsidiary set-up last year.

We have spent the last year building our capabilities in Australia across all key channels, with a focus on marketing, sales and distribution. This has enabled the team to strengthen relationships with our customers, reset activation plans and accelerate the brand's progress in the market. In addition, we are on track to begin local production at the start of 2025, reducing lead times, inventory holdings and logistics costs in market.

Fever-Tree is growing ahead of the mixer category in Australia. The brand grew retail sales by 9% in the first half of the year, with significant growth from our Sodas and Ginger Ale. Fever-Tree gained value share in every core mixer category and now has c.17% value share of the total mixer category at grocery, and more than 80% value share of the premium category[9].

Another key market within the Rest of World region is Canada, where the brand is becoming more well-known and well-distributed across the country, increasing our household penetration by 30% year-on-year[10], despite a tough backdrop as consumers are being more cautious with their discretionary spend. Fever-Tree has also continued to grow ahead of the competition and now has more than 30% value share in both Tonic and Ginger Beer categories[11].

The brand continues to make good progress in a number of other markets within the Rest of World, particularly in Japan through our distribution partnership with Asahi Breweries, as well as through our work with the high-end On-Trade and spirit partners across Asia more broadly.

Sustainability Update

The Group has continued to make good progress across its sustainability initiatives in the first six months of 2024. Notably, we have conducted a global carbon footprint analysis and are excited to be developing our first net zero roadmap during the second half of the year. In addition, as part of our "Communities branch", we have updated our Human Rights Charter, engaging directly with priority ingredients supply chains on human rights and responsible sourcing practices. We have also made great strides within our DEI agenda as part of our Colleagues branch, rolling out new events, training and employee resource groups to better support our fantastic team.

[9] Australian retail sanner data
[10] Nielsen IQ panel 2024
[11] Nielsen 52 weeks to June 2024

Financial Review

The Group has made good progress in driving margin recovery and improvements in operating cash flow in the first half of 2024.

Due to its global footprint and glass-led product mix the Group was disproportionally affected across 2022 and 2023 by the impact of elevated global shipping rates, and increased European energy costs on glass bottle pricing, alongside the wider impact of inflationary pressures across all cost categories. During that period, the Group took a number of proactive measures to mitigate those headwinds and to ensure it had an appropriately robust operational platform for the growth ahead. The re-tendering of UK and European glass bottle requirements, the contracting of improved trans-Atlantic shipping rates, a focus on driving efficiencies across our network, and pricing actions in key markets have combined to deliver a 520 basis point improvement in gross margin to 35.9% in the first half of 2024 (H1 2023: 30.7%). Operational efficiency and optimisation initiatives are on-going and we expect to deliver further improvements in gross margin in the second half of 2024 and into 2025.

Alongside gross margin improvements, the Group has maintained investment behind the brand, with stable levels of operational expenditure contributing to a 79% increase in EBITDA to £18.2m (H1 2023: £10.2m) at a margin of 10.5% (H1 2023: 5.8%). Whilst working capital has increased compared to the first half of 2023, it has reduced since December 2023, reflecting the collection of elevated receivables and reductions in inventory levels as we start to leverage our new technology platform. As a result, we have seen a return to positive cash flow, with cash generated from operations of £25.4m, 140% of adjusted EBITDA (H1 2023: -£5.6m; -54% of adjusted EBITDA). The Balance Sheet remains strong and the Board is recommending an interim dividend of 5.85 pence per share, an increase of 2% year-on-year.

£m	H1 FY24	H1 FY23	Change
Fever-Tree Brand Revenue	170.6	170.0	*0%*
Fever-Tree Group Revenue	172.9	175.6	*(2)%*
Gross profit	62.0	53.8	*+15%*
Gross margin	*35.9%*	*30.7%*	*520bps*
Adjusted EBITDA	18.2	10.2	*+79%*
Adjusted EBITDA margin	*10.5%*	*5.8%*	*470bps*
Operating profit	12.2	0.6	
Profit before tax	13.2	1.4	
Cash	65.9	75.8	*(13)%*

Gross Margin

Gross margin of 35.9% represents a significant improvement on the 30.7% gross margin reported in the first half of 2023. This was in line with expectations following proactive steps taken by the Group including the re-tender of UK and European glass supply, contracting of improved trans-Atlantic freight rates and pricing actions taken with customers across regions. The first half of the year included the unwinding of the opening Balance Sheet, which held inventory at 2023 costs, to the income statement. As such we will see further recovery in gross margin in the second half as we recognise a full period of the improved 2024 product and logistics costs.

We continue to focus on margin improvement initiatives, building a strong, resilient operational platform to deliver further margin recovery in 2025 and to underpin profitable growth over the medium term. Over the second half of this year we are bringing new UK canning capacity on-line and we will be commissioning local Australian production in early 2025. We are also working to optimise our existing production footprint, working with our primary UK bottling partner to reduce complexity and increase run size.

We remain committed to building our local US bottling footprint over time and have made good progress with our new East Coast bottling partner. We are also continuing to identify procurement opportunities across our cost base and have worked with our glass partners to secure appropriate levels of energy hedging for 2025. Finally, our technology programme is helping to identify and drive further efficiency, cost saving and working capital improvements as we look forward.

Operating Expenditure

Underlying operating expenses of £43.8m were broadly flat compared to the first half of 2023 (H1 2023: £43.6m) increasing marginally as a percentage of Group revenue to 25.3% (H1 2023: 24.9%).

Our marketing spend in the first half of the year was 9.6% of Fever-Tree brand revenue (H1 2023: 9.9%) as we continue to invest behind the brand. Staff costs and other overheads increased marginally by 2.0%, reflecting limited increases to headcount since the establishment of the Australian subsidiary in 2023.

The recovery in gross margin, coupled with broadly flat operating expenditure, has resulted in an improved adjusted EBITDA margin of 10.5% (H1 2023: 5.8%). As a result, the Group generated an adjusted EBITDA of £18.2m, a 79% increase compared to the first half of 2023 (H1 2023: £10.2m).

Depreciation marginally reduced to £3.2m (H1 2023: £3.3m), offset by a marginal increase in amortisation to £1.0m (H1 2023: £0.8m). Share-based payments reduced to £1.8m (H1 2023: £2.2m) reflecting a valuation adjustment based on the achievability of certain long term incentive plan targets. The prior period included a £3.3m provision made against quarantined US inventory disclosed as an exceptional item.

As a result of these movements, adjusted EBITDA of £18.2m translates to operating profit of £12.2m (H1 2023: £0.6m).

Tax

The effective tax rate in H1 is 42%, reflecting an adjustment to the corporate tax asset relating to years prior to 2023. Excluding this adjustment, the H1 effective tax rate is 25% (H1 2023: 22.0%).

Earnings Per Share

The basic earnings per share for the period are 6.51 pence (H1 2023: 0.94 pence) and the diluted earnings per share for the period are 6.49 pence (H1 2023: 0.94 pence), an increase of 590%.

In order to compare earnings per share period on period, earnings have been adjusted to exclude amortisation, exceptional items and the UK statutory tax rates have been applied (disregarding other tax adjusting items). On this basis, normalised basic earnings per share for the first half of 2024 are 7.37 pence (H1 2023: 3.52 pence), an increase of 109%.

Balance Sheet and Working Capital

Working capital of £96.3m (H1 2023: £89.4m), representing 26.7% of the last twelve months' revenue, is marginally elevated compared to the first half of 2023 (H1 2023: 24.9%). Inventory levels have reduced by 20% compared to H1 2023, reflecting efficiencies delivered following the implementation of our global operations technology programme, as well as the lower cost of goods held compared to 2023, most notably in glass. However, this improvement has been offset by a 26% reduction in trade payables, reflecting production phasing alongside the lower cost of goods this year.

Whilst working capital levels are marginally elevated compared to H1 2023, they have improved since year end (FY 2023: 28.5%), following the collection of the elevated level of trade receivables held at December 2023, and we expect to see further improvement in working capital as we proceed through the year.

The improvement in working capital since December 2023, alongside the 79% increase in adjusted EBITDA in the first half of the year has driven strong cash generation from operations of £25.4m, 140% of adjusted EBITDA (H1 2023: -£5.6m; -54% of adjusted EBITDA). An improving working capital profile, alongside an improving adjusted EBITDA margin will continue to drive strong operating cash flow conversion in the second half of the year.

Cash and Dividend

The Group returned to positive cash growth in the first half of 2024 and retains a cash position of £65.9m.

As a reflection of our continued confidence in the financial strength of the Group the Directors are pleased to declare an interim dividend of 5.85 pence per share, 2% ahead of the 2023 interim dividend. The dividend will be paid on 18 October 2024, to shareholders on the register on 27 September 2024.

Our strong Balance Sheet imparts a competitive advantage over many of our premium mixer competitors globally. It provides the platform to remain agile and invest behind opportunities as they arise whilst allowing the Group to focus on making the correct strategic choices for the long-term health of the Fever-Tree brand and success of the business.

The Group's capital allocation framework remains unchanged. We intend to retain sufficient cash to allow for significant investment against the opportunity ahead and primarily foresee this investment taking the form of operational expenditure, including upweighted marketing spend across our growth regions at the appropriate stage. Whilst not a priority or an essential component of the Group's plans, we also remain vigilant with regards to M&A opportunities that would further assist with the delivery of our strategy.

Where the Board considers there to be surplus cash held on the Balance Sheet it will consider additional distributions to shareholders, as demonstrated historically by the payment of a £50m special dividend in 2022. As such, considering the Board's confidence in on-going margin improvement and strong cash generation, the Group anticipates being in a position to return surplus cash to shareholders in 2025 and will announce full details of this at the full year results.

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Audited year to 31 December 2023 £m
Revenue	2	**172.9**	**175.6**	**364.4**
Cost of sales		(110.9)	(121.8)	(247.4)
Gross profit		**62.0**	**53.8**	**117.0**
Administrative expenses		(49.8)	(49.9)	(96.2)
Adjusted EBITDA	1	**18.2**	**10.2**	**30.5**
Depreciation		(3.2)	(3.3)	(6.3)
Amortisation		(1.0)	(0.8)	(1.7)
Share based payment charges		(1.8)	(2.2)	(1.7)
Operating profit before exceptional items		**12.2**	**3.9**	**20.8**
Exceptional items		-	(3.3)	-
Operating profit after exceptional items		**12.2**	**0.6**	**20.8**
Finance costs				
Finance income		1.3	1.1	2.0
Finance expense		(0.3)	(0.3)	(0.6)
Profit before tax		**13.2**	**1.4**	**22.2**
Tax expense		(5.6)	(0.3)	(6.8)
Profit for the period / year		**7.6**	**1.1**	**15.4**
Items that may be reclassified to profit or loss				
Foreign currency translation difference of foreign operations		(0.6)	(1.2)	-
Effective portion of cash flow hedges		(0.1)	1.1	0.3
Related tax		-	-	-
		(0.7)	**(0.1)**	**0.3**
Comprehensive income attributable to equity holders of the parent company		**6.9**	**1.0**	**15.7**

Consolidated Statement of Comprehensive Income (continued)

For the six months ended 30 June 2024

Earnings per share for profit attributable to the owners of the parent during the year				
Basic (pence)	4	6.51	0.94	13.20
Diluted (pence)	4	6.49	0.94	13.18

Consolidated Statement of Financial Position

As at 30 June 2024

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Non-current assets			
Property, plant & equipment	22.6	24.0	23.7
Intangible assets	60.1	54.1	58.2
Deferred tax asset	1.8	1.6	1.7
Other financial assets	4.0	-	4.3
Total non-current assets	**88.5**	**79.7**	**87.9**
Current assets			
Inventories	59.9	75.6	67.6
Trade and other receivables	81.7	75.7	91.5
Derivative financial instruments	-	1.4	0.6
Corporation tax asset	0.8	0.8	6.2
Cash and cash equivalents	65.9	75.8	59.9
Total current assets	**208.3**	**229.3**	**225.8**
Total assets	**296.8**	**309.0**	**313.7**
Current liabilities			
Trade and other payables	(45.3)	(61.8)	(55.3)
Derivative financial instruments	(0.7)	-	-
Corporation tax liability	(1.2)	-	(3.4)
Lease liabilities	(3.5)	(3.4)	(2.1)
Total current liabilities	**(50.7)**	**(65.2)**	**(60.8)**
Non-current liabilities			
Other payables	-	-	(0.3)
Deferred tax liability	(3.0)	(1.5)	(3.0)
Lease liabilities	(10.1)	(12.7)	(11.8)
Total non-current liabilities	**(13.1)**	**(14.2)**	**(15.1)**
Total liabilities	**(63.8)**	**(79.4)**	**(75.9)**
Net assets	**233.0**	**229.6**	**237.8**
Equity attributable to equity holders of the company			
Share capital	0.3	0.3	0.3
Share premium	54.8	54.8	54.8
Capital redemption reserve	0.1	0.1	0.1
Cash flow hedge reserve	(0.1)	-	(0.2)
Translation reserve	(2.1)	(1.5)	(0.3)
Retained earnings	180.0	175.9	183.1
Total equity	**233.0**	**229.6**	**237.8**

Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Audited year to 31 December 2023 £m
Operating activities			
Profit before tax	13.2	1.4	22.2
Finance expense	0.3	0.3	0.6
Finance income	(1.3)	(1.1)	(2.0)
Depreciation of property, plant & equipment	3.2	3.3	6.3
Amortisation of intangible assets	1.0	0.8	1.7
Share based payments	1.8	2.2	1.7
Non-cash movements on working capital	1.5	3.5	-
Increase in impairment losses on receivables and inventories net of recoveries	-	-	0.5
Net exchange difference	-	-	3.2
Exceptional items	-	3.3	-
	19.7	**13.7**	**34.2**
Decrease/(Increase) in trade and other receivables	12.1	(2.4)	(22.3)
Decrease/(Increase) in inventories	6.4	(25.9)	(10.0)
(Decrease)/ Increase in trade and other payables	(14.2)	11.7	4.8
Decrease/(Increase) in derivative asset/liability	1.4	(2.7)	(2.1)
	5.7	**(19.3)**	**(29.6)**
Cash generated from / (used in) operations	**25.4**	**(5.6)**	**4.6**
Income tax paid	(1.2)	(0.6)	(8.4)
Net cash flows from / (used in) operating activities	**24.2**	**(6.2)**	**(3.8)**
Investing activities			
Purchase of property, plant and equipment	(2.1)	(1.1)	(2.6)
Interest received	1.3	1.1	2.0
Investment in intangible assets	(3.0)	(1.8)	(7.0)
Net cash used in investing activities	**(3.8)**	**(1.8)**	**(7.6)**
Financing activities			
Interest paid	-	(0.1)	(0.1)
Dividends paid	(12.7)	(12.4)	(19.1)
Payment of lease liabilities	(1.9)	(1.7)	(4.0)
Net cash used in financing activities	**(14.6)**	**(14.2)**	**(23.2)**
Net increase/ (decrease) in cash and cash equivalents	5.8	(22.2)	(34.6)
Cash and cash equivalents at beginning of period	59.9	95.3	95.3
Effect of movement in exchange rates on cash held	0.2	2.7	(0.8)
Cash and cash equivalents at end of period	**65.9**	**75.8**	**59.9**

Notes to the Consolidated Financial Information

For the six months ended 30 June 2024

1. Basis of preparation and accounting policies

The principal accounting policies adopted in the preparation of the interim financial information are unchanged from those applied in the Group's financial statements for the year ended 31 December 2023 which had been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The accounting policies applied herein are consistent with those expected to be applied in the financial statements for the year ended 31 December 2023.

This report is not prepared in accordance with IAS 34. The financial information does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for Fevertree Drinks plc for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Adjusted EBITDA has been used throughout the interim financial information. The Group believes adjusted EBITDA to be a key indicator of underlying operational performance, adjusting operating profit for several non-cash items. As a consequence of these adjustments, the Group believes that adjusted EBITDA represents normalised corporate profits. Adjusted EBITDA for the period is operating profit of £12.2m before depreciation of £3.2m, amortisation of £1.0m and share based payment charges of £1.8m. Adjusted EBITDA is an appropriate measure since it represents to users a normalised, comparable operating profit, excluding the effects of the accounting estimates and non-cash items mentioned above. The definition for adjusted EBITDA as defined above is consistent with the definition applied in previous years. This measure is not defined in the International Financial Reporting Standards. Since this is an indicator specific to the Group's operational structure, it may not be comparable to adjusted metrics used by other companies. Adjusted EBITDA is not intended to be a substitute for metrics determined in accordance with International Financial Reporting Standards.

On-going macroeconomic and geopolitical volatility that resulted in considerably high input costs have been reflected in the Directors' assessment of the going concern basis of preparation. This has been considered by modelling the impact on the Group's cashflow for the period to the end of December 2025. In completing this exercise, the Directors established there were no plausible scenarios that would result in the Group no longer continuing as a going concern.

The Directors have concluded that the Group has adequate resources to continue in operational existence for at least the 12 months following the publication of the interim financial statements, that it is appropriate to continue to adopt the going concern basis of preparation in the financial statements, that there is not a material uncertainty in relation to going concern and that there is no significant judgement involved in making that assessment.

Notes to the Consolidated Financial Information (continued)

For the six months ended 30 June 2024

2. Revenue by region

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Audited year to 31 December 2023 £m
United Kingdom	50.9	53.8	114.8
United States of America	60.3	56.1	117.0
Europe	46.8	56.1	105.4
Rest of the World	14.9	9.6	27.2
Group	**172.9**	**175.6**	**364.4**

3. Dividend

The interim dividend of 5.85 pence per share will be paid on 18 October 2024 to shareholders on the register on 27 September 2024.

4. Earnings per share

	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Audited year to 31 December 2023 £m
Profit			
Profit used to calculate basic and diluted EPS	7.6	1.1	15.4
Number of shares			
Weighted average number of shares for the purpose of basic earnings per share	116,727,468	116,605,028	116,632,907
Weighted average number of employee share options outstanding	297,133	192,288	197,351
Weighted average number of shares for the purpose of diluted earnings per share	**117,024,601**	**116,797,316**	**116,830,258**
Basic earnings per share (pence)	**6.51**	**0.94**	**13.20**
Diluted earnings per share (pence)	**6.49**	**0.94**	**13.18**

4. Earnings per share (continued)

Normalised EPS	Unaudited 6 months to 30 June 2024 £m	Unaudited 6 months to 30 June 2023 £m	Audited year to 31 December 2023 £m
Profit			
Reported profit before tax	13.2	1.4	22.2
Add back:			
Amortisation	1.0	0.8	1.7
Exceptional items	-	3.3	-
Adjusted profit before tax	14.2	5.5	23.9
Tax – assume standard rate (25%)	(5.6)	(1.4)	(6.0)
Normalised earnings	**8.6**	**4.1**	**17.9**
Number of shares	116,727,468	116,605,028	116,632,907
Normalised earnings per share (pence)	**7.37**	**3.52**	**15.37**

Normalised EPS is an APM in which earnings have been adjusted to exclude amortisation and the UK statutory tax rates in force at the interim financial statements date have been applied (disregarding other tax adjusting items for comparability). The treatment is consistent period on period. This has been provided to assist users compare performance period to period, without the impact of amortisation. As this is an APM, this may not be comparable to other companies.