LONDON STOCK EXCHANGE
An LSEG Business

NS Half-year/Interim Report

FEVER-TREE FY23 INTERIM RESULTS - REPLACEMENT

FEVERTREE DRINKS PLC

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Fevertree Drinks PLC
12 September 2023

Fevertree Drinks plc

Correction - FY23 Interim Results to 30 June 2023

The following amendments have been made to the " FY23 Interim Results" announcement released on 12 September 2023 at 07:00 under RNS No 0791M.

The basic and diluted earnings per share for H1 FY23 have been corrected to 0.94 pence, which were incorrectly stated as 1.20 pence. Normalised earnings per share remains as stated at 3.52 pence.

All other details remain unchanged. The full corrected announcement is set out below.

This announcement contains inside information

FY23 Interim Highlights

- Revenue growth of 9% year-on-year, with a standout performance in the US of +40% growth (+32% constant currency) which is now the Group's largest region by revenue contribution.
- Strong market share performance globally, achieving our highest ever market share by value in the UK.
- 670 bps reduction in gross margin is in-line with our expectations, driven by product cost headwinds, partially offset by efficiency projects.
- Adjusted EBITDA margin of 5.8% reflects the lower gross margin and phasing of overheads, maintaining our strategy of investing for growth. We therefore expect to drive an improvement in the second half of the year.
- £3.3m exceptional item relating to a production issue in the US. The issue did not impact customer relationships or our ability to supply the market.
- Recommending an interim dividend of 5.74 pence per share, an increase of 2% year-on-year.

£m	H1 FY23	H1 FY22	*Change*
Revenue			
UK	53.8	53.5	*1%*
US	56.1	40.1	*40%*
Europe Fever-Tree brand revenue	50.5	46.5	*9%*
Europe total*	56.1	52.3	*7%*
ROW	9.6	15.0	*(36)%*
Total*	**175.6**	**160.9**	**9%**
Gross profit	**53.8**	**60.1**	***(11)%***
Gross margin	*30.7%*	*37.4%*	*(670)bps*
Adjusted EBITDA[1]	**10.2**	**22.0**	***(54)%***
Adjusted EBITDA margin	*5.8%*	*13.6%*	*(780)bps*
Diluted EPS (pence per share)	0.94	12.08	*(92)%*

Dividend (pence per share)	5.74	5.63	2%
Cash	75.8	100.0	(24)%

**includes GDP's portfolio brands*

Strategic highlights

- Very strong revenue growth in the US across all categories, extending our leadership position in Tonic Water and Ginger Beer, with continued positive contribution from our product innovation.
- Fever-Tree extended its clear market leadership in the UK with its highest ever value share and encouraging initial performance from our range of cocktail mixers and adult soft drinks.
- Many of the Group's European markets performed well against strong comparators, growing our leadership position to two thirds of the premium mixer category across the region.
- First half revenue for ROW region reflects a one-off inventory buy-back as part of the transition to our new subsidiary set-up in Australia, positioning us to further drive the opportunity ahead in that market.
- Good progress on key operational initiatives and softening inflationary headwinds underpins our confidence in significant year-on-year margin recovery in 2024.

Outlook and guidance

Whilst we expect to deliver continued good growth in FY23, most notably in the US, our sales performance since period-end has been impacted by the unseasonably poor weather in the UK which has subdued the wider category over the key summer trading period. Therefore, alongside the impact of the inventory buyback in Australia, we now expect to deliver FY23 revenue of between £380m to £390m.

We are making good progress with the mitigation of inflationary cost challenges and are reiterating our gross margin guidance of 31% to 33% for FY23. We remain committed to investing in the substantial future opportunity for the brand across our regions and expect overheads to be in the range £88m to £92m resulting in FY23 EBITDA guidance range of c. £30m to £36m.

Looking ahead to 2024, due to a combination of softening inflationary headwinds and the benefit of the actions we are taking this year, we are confident of delivering significant margin improvement, setting up the Group for strong, profitable growth going forward. Reflecting the momentum in our key growth regions, we are comfortable with current market revenue growth rate expectations for 2024 and expect to deliver an improved FY24 EBITDA margin of c.15%, which is ahead of current market expectations.

Tim Warrillow, CEO of Fever-Tree, commented:

"Fever-Tree delivered good revenue growth in the first half of 2023. We had a standout performance in the US where the brand continues to go from strength to strength, extending our leadership position in the Tonic and Ginger Beer categories. This reflects how well established the brand is becoming in the world's largest premium spirit market.

In the UK, despite the challenging macro-economic conditions, we ended the first half with our highest ever value share of 45%, which is over 50% higher than our nearest competitor. I have been hugely encouraged by the response to our new innovation, specifically our range of cocktail mixers and adult soft drinks, as shown by the significant and growing listings across both channels. Our European business is growing in depth and breadth and the recent step changes we have made in our route to market across Australia, Canada and Japan reflect the growing potential we see in our Rest of World region.

Whilst the vagaries of the British summer weather have impacted sales since period end, contributing to our revised guidance for the full year, the Group still expects to deliver good growth in the reminder of 2023. Looking ahead to 2024, with a stronger global market position than ever before, a broader product portfolio and our confidence in delivering significant margin improvement, the Group is well set up for strong, profitable growth going forward."

There will be live audio webcast on Tuesday 12th September 2023 at 10:00am BST. The webcast can be accessed via:
[Fever-Tree FY23 Interim Results webcast]

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This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of the Company is Andy Branchflower, CFO

Strategic update

£m	H1 FY23	H1 FY22	*change*	*constant currency change*
Revenue				
UK	53.8	53.5	*1%*	
US	56.1	40.1	*40%*	*32%*
Europe Fever-Tree brand revenue	50.5	46.5	*9%*	*5%*
Europe total*	56.1	52.3	*7%*	*4%*
ROW	9.6	15.0	*(36)%*	*(35)%*
Total*	**175.6**	**160.9**	***9%***	***6%***

Fever-Tree delivered revenue of £175.6m, an increase of 9% year-on-year, with particularly strong growth in the US driven by continued distribution gains and innovation. Whilst our UK sales have been impacted since period end by the effects of the unseasonably poor weather on the wider category, the first half saw the brand continue to grow its market share and deliver very encouraging early signs from the launch of our range of cocktail mixers as well as increasing distribution of our adult soft drinks. Good momentum continues in Europe, and whilst the Rest of World revenue was impacted by the one-off inventory buyback as part of the change in distribution model in Australia, this is not reflective of underlying performance or the confidence we have in the region moving forward.

As well as our focus on topline growth, we are continuing to take proactive steps to mitigate cost headwinds and drive efficiencies. As previously announced, whilst we are experiencing significant margin dilution in the current year, most notably due to materially elevated glass costs, we are confident that we will see margin improvement in the second half and are reiterating our gross margin guidance for the full year. Furthermore, the steps we are taking this year, alongside softening inflationary headwinds, will ensure that we drive material margin improvement in 2024.

We have recognised a £3.3 million exceptional cost in the first half results which relates to issues during US production which arose towards the end of the first half. This was ring-fenced to specific production batches and has not impacted customer relationships or our ability to supply the market. Going forward, we are confident that our US supply chain strategy is robust with appropriate flexibility and contingencies in place.

We are very pleased with our underlying strategic performance. Innovation remains the cornerstone of the brand and is driving growth across all our regions. Adult soft drinks are gaining distribution and starting to contribute to total growth in the UK, cocktail mixers are showing positive signs following their launch in the UK and US earlier this year, and Blood Orange Ginger Beer has been our fastest growing new product since its US launch in Autumn 2022, extending the category into exciting new flavours. We continue to evolve our route to market to capture current and future growth markets. Over the past twelve months we have announced the set-up of our own subsidiary operation in Australia and new distribution partnerships in Japan and Canada.

The Group has continued to make good progress across its sustainability initiatives in the first six months of 2023. We have finalised our UK product carbon footprint for 2022 which has shown a reduction in both absolute and per litre emissions, reflecting our on-going focus on reducing the impact our products have on the environment throughout our supply chain.

2023 also marks the tenth year of our partnership with Malaria No More UK. The fight against malaria remains at the very heart of the Fever-Tree brand given the role quinine plays in anti-malaria medication and the fact many of the communities where Fever-Tree sources its ingredients also experience the devastating effects of malaria. We are proud to have supported the incredible work undertaken by Malaria No More UK for a decade and are focused on sponsoring initiatives that are making a difference to those communities most impacted by the disease.

UK I Broadening the portfolio and extending our leadership of the mixer category

Fever-Tree delivered UK revenue of £53.8m in the first half of the year, an increase of 1% year-on-year, driven by a slight increase in On-Trade revenue and flat Off-Trade revenue. Despite the challenging macro-economic environment, crucially, we have extended our clear leadership position of the UK mixer category, with c.45% value share across the On- and Off-Trade combined, over twenty times the nearest premium mixer brand, and over 50% higher than Schweppes[2].

Fever-Tree is outperforming the mixer market in the On-Trade, growing value share by more than 5% since 2019 to over 53%[3] of the total On-Trade mixer value, our highest ever share. As the number one mixer brand in the UK, Fever-Tree is best placed to capitalise on continued spirit category growth and premiumisation, and we are increasingly engaging with spirits companies through co-promotions across a greater number of spirit and mixer occasions, with our broad, diversifying portfolio.

In the Off-Trade, Fever-Tree's sales were flat year-on-year as we lapped tough comparators during the first quarter. The brand has maintained its number one value share position, c.1% ahead of Schweppes and significantly ahead of the next largest premium brand[4]. In fact, Fever-Tree now accounts for over 90% of total premium mixer sales in the Off-Trade[5], highlighting our strong position in this category.

Over the last year we have extended into two exciting adjacent categories. Firstly, adult soft drinks, where we have established over 9,000 points of distribution at UK retail, delivering value growth of 55% in the first half of the year[5] as we outperform established brands to grow our share within the category.

The first half of the year also saw the launch of our range of cocktail mixers. The initial response has been highly encouraging and we have already secured over 3,000 points of distribution across Tesco, Sainsbury's, Waitrose, as well as a good presence on Ocado, and a significant number of listings with some of our largest On-Trade customers, including Mitchells & Butlers and Young's.

US I Innovation and distribution gains driving growth

Fever-Tree's revenue for the first half of the year increased by 40% to £56.1m (+32% at constant currency). The brand's strong growth has been driven by gains across all categories and we have extended our number one position in the Tonic Water and Ginger Beer categories in the first half of the year.

Fever-Tree is seeing strong growth in the On-Trade, which is now back, post-COVID, to almost 20% of total US sales. The brand continues to win new mandates and distribution across hotels, dining, sports and nightlife venues, contributing to a 21% increase in our number of On-Trade accounts as we extend our position as the premium mixer of choice in this channel.

Fever-Tree also performed well in the Off-Trade during the first half of the year. Our retail sales increased by 23% year-on-year and by 200% over the last four years, compared to 2019[6]. Value growth is being driven by Tonic and Ginger Beer in absolute terms, as we outpace these two categories, as well as being the fastest growing Grapefruit and Club Soda brand. Consequently, we continue to gain share of the total mixer category, extending our position as the clear premium market leader and driving category growth.

Our multiple drinks strategy has driven our innovation agenda and this remains a critical part of our US growth as we leverage our consumer insights to ensure we are creating mixers to elevate everyday drinking experiences with fast-growing, premiumising spirits. The launches of both our Sparkling Sicilian Lemonade, aimed at Bourbon and Vodka occasions, as well as our Blood Orange Ginger Beer to extend this popular mixer category, have demonstrated the power of our unique approach to innovation.

To further expand our drinks strategy, we have also extended our range into the non-carbonated mixer category, launching Fever-Tree Margarita and Bloody Mary in the first quarter of the year. We have already seen the positive impacts of this, with very positive sell-in of Margarita and Bloody Mary, leading to promising conversations with retailers about further distribution opportunities. The non-carbonated mixer category is a significant long-term opportunity for the brand due to its size, level of premiumisation, brand fragmentation, and similar consumer profile to carbonated mixers.

Alongside innovation and distribution gains, the business is focused on expanding our consumer brand awareness. In the On-Trade, we have focused on making the brand more visible on menus, and creating our own perfect serve menus, in addition to sponsoring five Fever-Tree bars across the country. At retail, we have become Category Captain at multiple national retail chains, enabling enhanced displays, better activations and thus supporting our many spirit partnerships.

Europe I Growing value share and diversifying the portfolio

The Fever-Tree brand delivered 9% revenue growth across our European markets, slightly ahead of our total European growth of 7%, which includes GDP portfolio brands (4% at constant currency). Italy and France continue to outperform, with good growth also coming from the Nordics during the first half of the year as we extend our distribution and increase our brand awareness.

Fever-Tree continues to drive premiumisation across Europe. In the Off-Trade, Fever-Tree now has over two-thirds value share of premium mixers and continues to gain share from other premium brands[7]. We are also increasing our share of the total mixer category, with a good performance in France, Norway and Italy, where we have delivered absolute growth of over 20% and gained between one and four percentage points of value share in these markets[7].

The On-Trade started the year well as the market annualised the first quarter of 2022, which had some restrictions still in place. Both channels have seen good growth compared to pre-Covid levels, contributing to a total sales growth of over 50% since 2019.

Fever-Tree is growing its leadership of the Ginger Beer category, which is popular as a mixer for the Mule serve, pairing well with Vodka, as well as dark spirits. The brand now has more than a third of the value share of Ginger Beer across European retail, almost 10% more than the next largest brand[7] and we see more opportunity to grow this in the coming years.

We also continue to invest across a range of marketing activities, from traditional above-the-line campaigns to On-Trade activations, social media campaigns, and television adverts, as well as through partnerships and co-promotions at retail to drive incremental distribution, visibility and sales. We have now produced television campaigns in Italy, Spain, The Netherlands and Switzerland and launched a prominent out-of-home campaign in Paris which included promotions of our Ginger Beer and Mediterranean Tonic across four thousand billboards around the city.

RoW I Upgrading our route-to-market

Despite making good progress in our Rest of the World Region, revenue of £9.6m is a 36% decrease year-on-year (35% at constant currency). Our reported sales were impacted by a one-off inventory buy-back in Australia, as we established our own subsidiary and transitioned to a new distribution partner in that market, a move which sets us up strongly for the future.

In terms of the brand's trading performance, in Australia Fever-Tree remains the number one premium mixer in this market by a significant margin, with more than 80% value share of the premium mixer category at Australian retail[8]. We continue to win new shelf space, with four new products launched in Woolworths, including 500ml Sparkling Pink Grapefruit, and four new SKUs planned to go on-shelf in Coles following our double-digit growth in the second quarter of the year, along with consistent share gains.

Our new subsidiary set-up in Australia will allow us to take greater control of our sales, marketing and distribution, working alongside a new distribution partner with complimentary ambitions and skillsets. We have already secured a local warehouse and aim to start production with a local bottler during 2024, giving us even more confidence in where we can take the brand in this market.

In Canada, we also made a significant step-change in our route-to-market, transitioning to a new, larger, more experienced distributor last year. Their sales team have already started to support our significant growth ambitions and we look forward to seeing how our partnership will drive further growth for the brand in this market.

In Japan, we started to work with Asahi Breweries as our new distributor and see real potential to expand in this large market over the next few years in both the premium mixer and adult soft drink category. Beyond Japan, we continue to grow our presence across a number of Asian markets, supported by On-Trade activations, prominent retail displays and new product launches.

Operational review

Towards the end of the first half, the Group were made aware that issues during production had potentially impacted certain US inventory batches. Following completion of a programme of testing we subsequently made the decision to permanently quarantine the affected inventory, resulting in a £3.3m stock provision recognised in the first half results. The issue was ring-fenced to specific production batches and did not impact customer relationships or our ability to supply the market.

The Group has made good progress with regards to 2024 glass supply and is at the contracting phase of a UK/European glass tender. Alongside this, we are well advanced in discussions with a local Australian production partner and are also progressing well with the implementation of our wide-ranging programme to embed technology across our global operations.

All of these actions further improve supply chain resilience and efficiency, and we look forward to combining continued revenue growth with material margin improvement in 2024 and beyond.

Financial review

Revenue of £175.6m (H1 2022: £160.9m), with growth of 9% (6% at constant currency) included particularly strong growth in the US, where we grew by 40% year-on-year (32% on a constant currency basis).

The Group generated an adjusted EBITDA of £10.2m (H1 2022: £22.0m), a 53.5% decrease year-on-year. As anticipated, gross margins have been impacted by inflationary cost pressures most notably the effect of materially elevated glass pricing in 2023. These headwinds were partially offset by mitigating actions, including pricing actions across regions.

Continued investment behind the brand, our team and our operations, alongside some phasing effects have increased operating expenditure to 24.9% of Group revenue (H1 2022: 23.7%) and as a result, the impacts on gross margin have translated to a reduction in adjusted EBITDA margin to 5.8% (H1 2022: 13.6%).

We expect improving gross margin and overhead phasing to drive an improvement in adjusted EBITDA margin in the second half of the year and are confident of further recovery in 2024 due to a combination of softening inflationary headwinds and the benefit of the actions we are taking this year, setting up the Group for strong, profitable growth going forward.

Working capital remains elevated due to inventory holdings, which alongside the reduction in adjusted EBITDA margin drove negative operating cash flow conversion in the first half and a reduction in cash to £75.8m. We expect improving working capital and adjusted EBITDA margins to combine to drive a return to positive operating cash flow conversion as the year progresses. The balance sheet remains strong and the Board is recommending an interim of dividend of 5.74 pence per share, an increase of 2% year-on-year.

£m	H1 FY23	H1 FY22	Change
Revenue	175.6	160.9	*9.1%*
Gross profit	53.8	60.1	*(11)%*
Gross margin	*30.7%*	*37.4%*	*(670)bps*
Adjusted EBITDA	10.2	22.0	*(54)%*
Adjusted EBITDA margin	*5.8%*	*13.6%*	*(780)bps*
Operating profit	0.6	17.4	*(96)%*
Profit before tax	1.4	17.6	*(92)%*
Cash	75.8	100.0	*(24)%*

Gross margin

Gross margin of 30.7% represents a reduction from the 37.4% gross margin reported in the first half of 2022. This was in line with expectations, with significant inflationary cost increases across categories, most notably glass costs, impacting underlying product costs across regions. The Group has taken mitigating actions, including increased pricing across regions, delivering logistics efficiencies and increased US local production, however, this was not sufficient to offset the impact of the inflationary headwinds in the first half.

We expect an improvement in gross margin in the second half of the year, reflecting the full benefit of pricing actions across the period and reducing Trans-Atlantic freight rates.

As outlined in the operational review, we are taking significant steps in 2023 to underpin gross margin improvements in 2024 and beyond, including:

- Concluding a tender for UK and Europe glass requirements, which, subject to contracting, will realise significant year-on-year improvements in glass costs in 2024, greater co-operation and transparency on energy cost hedging and will underpin security of glass supply.
- Trans-Atlantic freight rates have materially recalibrated towards historic levels following several years of significantly elevated rates. This will provide the flexibility to supply the US from our UK production network as required, whilst still driving margin improvement.
- We are in the implementation phase of our wide-ranging programme to embed technology across our global operations, setting us up for 2024 with best-in-class ways of working, data and insights to improve supply chain efficiency and underpin our future growth.

Operating expenditure

Underlying operating expenses increased by 14.3% in the first half of the year to £43.6m (H1 2022: £38.2m) increasing to 24.9% of Group revenue (H1 2022: 23.7%).

Our marketing spend in the first half of the year was 9.9% of Fever-Tree brand revenue (H1 2022: 10.2%) as we continue to invest behind the brand. Activities in the first half included a national UK radio campaign, television advertising in European markets including Italy, Switzerland and The Netherlands, alongside continued execution of retail displays, On-Trade activations and co-promotions with spirits brands across markets globally. Staff costs and other overheads increased by 20.1%, largely driven by the staff cost line as 2022 hires annualised alongside inflationary wage increases, whilst we built head count in Australia ahead of the transition to a subsidiary set-up in that market. As a result of the investments we have made in our team and technology, we do not anticipate having to increase headcount notably in 2024.

The dilution in gross margin, due to inflationary cost pressures, coupled with increased levels of underlying operating expenditure as a proportion of revenue, has resulted in a retraction in adjusted EBITDA margin to 5.8% (H1 2022: 13.6%). As a result, the Group generated an adjusted EBITDA of £10.2m, a 53.5% decrease on the first half of 2022 (H1 2022: £22.0m).

Depreciation increased to £3.3m (H1 2022: £1.6m) due to the impact of right-of-use assets capitalised under IFRS 16 in relation to US warehousing. Amortisation remained flat at £0.8m (H1 2022: £0.8m) alongside share-based payments of £2.2m (H1 2022: £2.2m).

Exceptional items include a £3.3m provision made against quarantined US inventory as set out in the Operational Review. The Group considers this issue to be a one-off, non-recurring item and is considering all recourse available relating to this issue.

As a result of these movements, adjusted EBITDA of £10.2m translates to operating profit of £0.6m (H1 2022: £17.4m).

Tax

The effective tax rate in the first half of 2023 was 22.0% (H1 2022: 19.8%) and was in line with expectations.

Earnings per share

The basic earnings per share for the period are 0.94 pence (H1 2022: 12.10 pence) and the diluted earnings per share for the period are 0.94 pence (H1 2022: 12.08 pence), a decrease of 92.2%.

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 2023 are 3.52 pence (H1 2022: 12.87 pence), a decrease of 72.6%.

Balance sheet and working capital

Working capital increased to £89.4m (H1 2022: £76.3m), rising to 24.9% of last twelve months' revenue (H1 2022: 23.1%). Whilst period end receivables reduced marginally year-on-year, reflecting continued strong recoverability, the increase in working capital was driven by a 41% uplift in inventory levels. This reflects the higher levels of US inventory held at period end to ensure we are well positioned to service the strong momentum in that market, whilst lapping inventory pinch points in the US market in June 2022. We expect inventory levels to recalibrate over the remainder of the year, which will drive improvements in working capital profile.

The increase in working capital, combined with the reduction in adjusted EBITDA generated in the first half of the year has temporarily resulted in negative cash generated from operations of £5.6m, -54% of adjusted EBITDA (H1 2022: £1.5m, +6% of adjusted EBITDA). An improving working capital profile, alongside an improving adjusted EBITDA margin will drive a return to positive operating cash flow conversion in the second half of the year.

Cash and Dividend

The Group's cash position reduced in the first half of the year as a result of the retraction in operating cash flow conversion, alongside the payment of the 2022 final dividend. The Group continues to retain a strong cash position of £75.8m and this allows us to continue to focus on making the correct strategic choices for the long-term health of the Fever-Tree brand and success of the business.

As a reflection of our continued confidence in the financial strength of the Group the Directors are pleased to declare an interim dividend of 5.74 pence per share, 2% ahead of the 2022 interim dividend. The dividend will be paid on 20 October 2023, to shareholders on the register on 29 September 2023.

Consolidated statement of comprehensive income

For the six months ended 30 June 2023

	Notes	Unaudited 6 months to 30 June 2023 £m	Unaudited 6 months to 30 June 2022 £m	Audited year to 31 December 2022 £m
Revenue	2	**175.6**	**160.9**	**344.3**
Cost of sales		(121.8)	(100.8)	(225.5)
Gross profit		**53.8**	**60.1**	**118.8**
Administrative expenses		(49.9)	(42.7)	(88.2)
Adjusted EBITDA	1	**10.2**	**22.0**	**39.7**
Depreciation		(3.3)	(1.6)	(4.3)
Amortisation		(0.8)	(0.8)	(1.5)
Share based payment charges		(2.2)	(2.2)	(3.3)
Operating profit before exceptional items		**3.9**	**17.4**	**30.6**
Exceptional items	4	(3.3)	-	-
Operating profit after exceptional items		**0.6**	**17.4**	**30.6**
Finance costs				
Finance income		1.1	0.3	0.8
Finance expense		(0.3)	(0.1)	(0.4)
Profit before tax		**1.4**	**17.6**	**31.0**
Tax expense		(0.3)	(3.5)	(6.1)
Profit for the period / year		**1.1**	**14.1**	**24.9**
Items that may be reclassified to profit or loss				
Foreign currency translation difference of foreign operations		(1.2)	(0.1)	(0.1)
Effective portion of cash flow hedges		1.1	(1.6)	(0.3)
Related Tax		-	0.3	-

		(0.1)	**(1.4)**	**(0.4)**
Comprehensive income attributable to equity holders of the parent company		**1.0**	**12.7**	**24.5**

Consolidated statement of comprehensive income (continued)

For the six months ended 30 June 2023

Earnings per share for profit attributable to the owners of the parent during the year				
Basic (pence)	5	0.94	12.10	21.36
Diluted (pence)	5	0.94	12.08	21.32

Consolidated statement of financial position

As at 30 June 2023

	Unaudited 30 June 2023 £m	**Unaudited 30 June 2022 £m**	**Audited 31 December 2022 £m**
Non-current assets			
Property, plant & equipment	24.0	9.2	25.6
Intangible assets	54.1	48.4	53.2
Deferred tax asset	1.6	3.0	1.9
Other financial assets	-	-	1.8
Total non-current assets	**79.7**	**60.6**	**82.5**
Current assets			
Inventories	75.6	53.3	60.1
Trade and other receivables	75.7	77.5	72.4
Derivative financial instruments	1.4	-	-
Corporation tax asset	0.8	3.1	1.3
Cash and cash equivalents	75.8	100.0	95.3
Total current assets	**229.3**	**233.9**	**229.1**
Total assets	**309.0**	**294.5**	**311.6**
Current liabilities			
Trade and other payables	(61.8)	(54.4)	(51.3)
Loans and other borrowing	-	(0.1)	(1.8)
Derivative financial instruments	-	(1.1)	-
Corporation tax liability	-	-	(0.8)
Lease liabilities	(3.4)	(0.7)	(3.4)
Total current liabilities	**(65.2)**	**(56.3)**	**(57.3)**
Non-current liabilities			
Deferred tax liability	(1.5)	(1.6)	(1.6)
Lease liabilities	(12.7)	(1.9)	(13.5)
Total non-current liabilities	**(14.2)**	**(3.5)**	**(15.1)**

Total liabilities	**(79.4)**	**(59.8)**	**(72.4)**
Net assets	**229.6**	**234.7**	**239.2**
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	-	(1.1)	(0.5)
Translation Reserve	(1.5)	(0.3)	(0.3)
Retained earnings	175.9	180.9	184.8
Total equity	**229.6**	**234.7**	**239.2**

Consolidated statement of cash flows

For the six months ended 30 June 2023

	Unaudited 6 months to 30 June 2023 £m	**Unaudited 6 months to 30 June 2022 £m**	**Audited year to 31 December 2022 £m**
Operating activities			
Profit before tax	1.4	17.6	31.0
Finance expense	0.3	0.1	0.4
Finance income	(1.1)	(0.3)	(0.8)
Depreciation of property, plant & equipment	3.3	1.6	4.3
Amortisation of intangible assets	0.8	0.8	1.5
Share based payments	2.2	2.2	3.3
Non-cash movements on working capital	3.5	0.1	(3.1)
Exceptional items	3.3	-	-
	13.7	**22.1**	**36.6**
(Increase)/ Decrease in trade and other receivables	(2.4)	(10.2)	(1.6)
(Increase)/ Decrease in inventories	(25.9)	(19.6)	(23.5)
Increase/ (Decrease) in trade and other payables	11.7	6.0	0.5
(Decrease)/ Increase in derivative asset/liability	(2.7)	3.2	2.4
	(19.3)	**(20.6)**	**(22.2)**
Cash generated from operations	**(5.6)**	**1.5**	**14.4**
Income tax paid	(0.6)	(5.5)	(5.9)
Net cash flows from operating activities	**(6.2)**	**(4.0)**	**8.5**
Investing activities			
Purchase of property, plant and equipment	(1.1)	(1.1)	(4.6)
Interest received	1.1	0.3	0.8
Investment in intangible assets	(1.8)	(1.2)	(2.5)
Acquisition of subsidiary, net of cash acquired	-	-	(3.7)
Net cash used in investing activities	**(1.8)**	**(2.0)**	**(10.0)**
Financing activities			
Interest paid	(0.1)	(0.1)	(0.1)
Dividends paid	(12.4)	(62.2)	(68.8)
Payment of lease liabilities	(1.7)	(0.4)	(1.8)
Net cash used in financing activities	**(14.2)**	**(62.7)**	**(70.7)**

Net increase/ (decrease) in cash and cash equivalents	(22.2)	(68.7)	(72.2)
Cash and cash equivalents at beginning of period	95.3	166.2	166.2
Effect of movement in exchange rates on cash held	2.7	2.5	1.3
Cash and cash equivalents at end of period	**75.8**	**100.0**	**95.3**

Notes to the consolidated financial information

For the six months ended 30 June 2023

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 2022 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 2022 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 before exceptional items of £3.9m before depreciation of £3.3m, amortisation of £0.8m, exceptional items of £3.3m and share based payment charges of £2.2m. 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. The determination of exceptional items is also not defined in the International Financial Reporting Standards, and has been used throughout this financial information as it provides users with specific information on a once-off event which will not recur in future periods. As such it allows for improved comparability of results across financial periods.

The impact of the ongoing conflict in Ukraine and the inflationary macro-economic environment has 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 June 2024. 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 therefore 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. This strong financial position has underpinned the Directors' decision to pay an interim dividend of 5.74 pence per share.

Notes to the consolidated financial information (continued)

For the six months ended 30 June 2023

2. Revenue by region

	Unaudited 6 months to 30 June 2023 £m	**Unaudited 6 months to 30 June 2022 £m**	**Audited year to 31 December 2022 £m**
United Kingdom	53.8	53.5	116.2

United States of America	56.1	40.1	95.6
Europe	56.1	52.3	101.0
Rest of the World	9.6	15.0	31.5
Group	**175.6**	**160.9**	**344.3**

3. Dividend

The interim dividend of 5.74 pence per share will be paid on 20th October 2023 to shareholders on the register on 29th September 2023.

4. Exceptional items

A provision of £3.3m has been recognised relating to a quantity of stock on hand in the US at period end. This relates to issues during production which arose towards the end of this interim period. The issue has been investigated and linked to specific production batches and subsequently the decision has been made to not sell the affected inventory, therefore a full provision has been made against this inventory. This cost has been recognised as an exceptional item on account of its material quantum and one-off nature.

5. Earnings per share

	Unaudited 6 months to 30 June 2023 £m	Unaudited 6 months to 30 June 2022 £m	Audited year to 31 December 2022 £m
Profit			
Profit used to calculate basic and diluted EPS	1.1	14.1	24.9
Number of shares			
Weighted average number of shares for the purpose of basic earnings per share	116,605,028	116,551,449	116,556,818
Weighted average number of employee share options outstanding	192,288	214,120	222,486
Weighted average number of shares for the purpose of diluted earnings per share	**116,797,316**	**116,765,569**	**116,779,304**
Basic earnings per share (pence)	**0.94**	**12.10**	**21.36**
Diluted earnings per share (pence)	**0.94**	**12.08**	**21.32**

Normalised EPS	**Unaudited 6 months to 30 June 2023 £m**	**Unaudited 6 months to 30 June 2022 £m**	**Audited year to 31 December 2022 £m**
Profit			
Reported profit before tax	1.4	17.6	31.0
Add back:			
Amortisation	0.8	0.8	1.5
Exceptional items	3.3	-	-
Adjusted profit before tax	5.5	18.4	32.5
Tax - assume standard rate (25% (2022: 19%))	(1.4)	(3.5)	(6.2)
Normalised earnings	**4.1**	**15.0**	**26.3**

Number of shares	116,605,028	116,551,449	116,556,818
Normalised earnings per share (pence)	**3.52**	**12.87**	**22.59**

Normalised EPS is an Alternative Performance Measure in which earnings have been adjusted to exclude amortisation, exceptional items and the UK statutory tax rates have been applied to these adjusting items (disregarding other tax adjusting items).

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

[2] IRI 52 Wks to 09/07/2023; CGA MAT to 17/06/2023

[3] CGA

[4] IRI 13 weeks to 09/07/2023

[5] IRI YTD to 09/07/2023

[6] Nielsen 26 weeks to 17 June 2023

[7] Nielsen H1 2023 top 12 European markets

[8] Woolworth & Coles scan data

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