

30 January 2025

This announcement contains inside information

Fevertree Drinks plc

("Fever-Tree" or the "Company")

Fever-Tree announces a Strategic Partnership with Molson Coors to drive the next stage of growth in the US

Underpinning the partnership and reflecting its long-term focus and belief in the opportunity, Molson Coors will acquire an 8.5% shareholding in Fevertree Drinks plc. The proceeds of the issue will be returned to shareholders via a share buyback programme of £71.0m, beginning in February 2025.

Fever-Tree, the world's leading supplier of premium carbonated mixers and Molson Coors, one of the world's largest beverage companies, are pleased to announce that they have entered into a long-term strategic partnership for the exclusive sales, distribution and production of the Fever-Tree brand in the US.

Since first entering the US market in 2008, Fever-Tree has consistently delivered very strong growth in the US and has become the number one tonic and ginger beer brand across America. The market leading position that Fever-Tree has built, combined with Molson Coors' expertise, scale and total beverage ambition, provides a transformational platform to drive the brand to the next level in its largest and most dynamic market.

The strategic benefits of the partnership include:

- **Strategic Alignment:** Fever-Tree and Molson Coors have a shared vision, belief and commitment to driving the brand's expanding opportunity across alcohol and non-alcohol occasions.
- **Scale and Platform:** Ability to leverage Molson Coors' national network of US distributors and customers across the On- and Off-Trade as well as the scale and strength of their dedicated sales and commercial teams, to maximise Fever-Tree's momentum, brand strength and ability to grow its total addressable market.
- **Step Change in Investment:** A substantial incremental marketing fund will be deployed across the initial period of the partnership providing the firepower to drive further brand and category awareness.
- **Local US production:** Partnership will capitalise on Molson Coors' broad supply chain network, procurement strength and expertise to drive operational efficiencies, as well as managing the onshoring of US production.

Equity Investment and Buyback

Underpinning the partnership and reflecting its long-term focus and belief in the opportunity, Molson Coors will acquire an 8.5% shareholding in Fevertree Drinks plc (post-issue) for cash consideration of £71.0m (654.2 pence per share based on the 10-day VWAP).

In addition, Fever-Tree today announces its intention to commence a share buyback programme of £71.0m, beginning in February 2025. Due to the enhanced cash generation of the business under the strategic partnership, we remain mindful of our capital allocation framework and will consider the opportunity for further shareholder returns beyond this initial buyback programme.

Commenting on the new partnership, Tim Warrillow, co-founder and CEO of Fever-Tree, said:

"Today's announcement marks a transformational step for the Fever-Tree brand in the US. Thanks to the superb work of our US team, we have seen Fever-Tree become the number one brand in both the tonic and ginger beer categories, a remarkable achievement which has redefined the US mixer category amongst consumers and customers alike.

But what is so exciting is that as the Fever-Tree brand has grown in the US, so has the opportunity ahead of us, reflecting the increasing number of categories and occasions that our products are relevant to.

With a national network providing significant scale and muscle, alongside its proven track record, supply chain expertise and clearly stated strategic desire to drive the future of their business beyond beer, Molson Coors are the ideal long-term partner to take the Fever-Tree brand to the next level across the US. This partnership will be fuelled by a step change in marketing investment to take advantage of the highly compelling opportunity ahead."

Commenting on the new partnership, Gavin Hattersley, Chief Executive Officer of Molson Coors Beverage Company:

"Our strategic partnership with Fever-Tree in the U.S. is a meaningful step in Molson Coors' journey to becoming a total-beverage company with a winning portfolio of drinks for a wide variety of consumer occasions. We've made progress here, and today we are building on that progress in a significant way with Fever-Tree as the latest and largest non-alc brand to join our portfolio.

The U.S. is our biggest global market by revenue, and the same is true for Fever-Tree, so we believe this partnership provides ample opportunity for our teams to build on the strong success Fever-Tree has achieved to date. Our distributors and

customers have been asking for a brand just like Fever-Tree from us, and by leveraging the scale, strong relationships and expertise of our team at Molson Coors. I'm confident in the road ahead for Fever-Tree as part of Molson Coors' growing set of non-alc offerings in the U.S."

Commenting on the new partnership, Michelle St. Jacques, Chief Commercial Officer of Molson Coors Beverage Company, Americas:

"Fever-Tree is the perfect fit for our growing portfolio of non-alc beverages. The quality is unmatched, the variety is fantastic, and the brand has achieved impressive scale in the U.S. and we believe there is more runway ahead.

Fever-Tree sits at the intersection of beer and non-alc and is often available in stores where beer is sold, so it perfectly complements our Beyond Beer and premiumization strategies, playing in both alcohol occasions and non-alc occasions. We're excited to welcome Fever-Tree into our portfolio as we work to reach more consumers and unlock growth in new channels and outlets across the U.S."

There will be live audio webcast on Thursday 30th January 2025 at 9:00am GMT. The webcast can be accessed via:

[Fever-Tree announce a strategic partnership with Molson Coors in the US](#)

Key Transaction Details:

License Agreement

Fever-Tree and Molson Coors have entered into an exclusive license agreement (the "License Agreement"), effective from 1 February 2025 covering the sales, distribution and future production of Fever-Tree products in the US.

Key terms of the License Agreement are as follows:

- Long-term agreement with option to extend subject to achievement of certain performance targets.
- Joint governance committee will manage and oversee key aspects of the strategic partnership.
- Profit-sharing arrangement, distributed via royalty payments made from Molson Coors to Fever-Tree.
- A proportion of the annual profits attributable to Fever-Tree are guaranteed for the period from 2026 - 2030 based on an agreed business plan.
- Both parties agree to substantial marketing investment to be deployed over the initial period of the partnership.
- Non-compete terms on both parties.

Business Transition

The transition of Fever-Tree's business operations will occur during 2025. As part of this transition, Molson Coors will assume Fever-Tree's existing US production relationships prior to managing the onshoring of US production, capitalising on their broad supply chain network, procurement strength and expertise to drive operational efficiencies.

To enable the transition Molson Coors will acquire Fever-Tree's local US operating entity, Fevertree USA Inc, for 23.9m in cash. Fever-Tree USA Inc's profit, net of management charges paid to the Group, represent 2% of total Group's profit. (FY2023).

Equity Investment & Issue of New Shares

Underpinning the partnership and reflecting its long-term focus and belief in the opportunity, Molson Coors will acquire an 8.5% shareholding in Fevertree Drinks plc (post-issue) through the issue of 10,856,628 Shares priced at 654.2 pence per share based on the 10-day VWAP on the London Stock Exchange for the ten trading days prior 29th January.

In addition, Fever-Tree and Molson Coors have entered into a Relationship Agreement, which includes customary lock-up and standstill provisions, on market terms, which last for a period of three years.

Application will be made for the 10,856,628 Shares to be admitted to trading on the AIM Market of the London Stock Exchange which is expected to be on or around 5 February 2025. These Shares rank *pari passu* with the existing ordinary shares of the Company.

Buyback

Fever-Tree today announces its intention to commence a share buyback programme of £71.0m, beginning in February 2025. The strategic partnership with Molson Coors will allow for improved cash generation as the Company pursues the US growth opportunity. As such we remain mindful of our capital allocation framework and will consider the opportunity for further shareholder returns beyond this initial buyback programme.

FY24 pre-close trading update for the year ending 31st December 2024

Financial highlights

Revenue, £m	FY24	FY23	Change	Constant currency
UK	110.5	114.8	(4%)	
US	128.0	117.0	9%	12%
Europe Fever-Tree brand revenue	92.7	94.6	(2%)	0%
ROW	32.2	27.2	19%	22%

Total Fever-Tree revenue	363.4	353.6	3%	4%
GDP brand revenue*	4.5	10.8		
Total Group revenue	367.9	364.4	1%	2%

Fever-Tree delivered an improved performance in the second half, ending the year with global brand growth of 4% year-on-year at constant currency. The brand once again delivered strong growth in the US, accelerating in the second half, and has delivered market share growth across key markets, despite the well-publicised subdued environment.

The Group expects to deliver a strong uplift in Adjusted EBITDA for the full year, in-line with expectations.

In the US, Fever-Tree delivered revenue growth of 12% at constant currency, accelerating in the second half of the year as we continue to grow ahead of all of our competitors. And in the important Off-Trade channel, Fever-Tree finished the year with 27% and 32% share of the Tonic and Ginger Beer categories respectively ^[1], with strong growth of our Club Soda products and can format also driving sales growth.

In the UK, revenue declined by 4%, reflecting the subdued spirits backdrop, particularly in the On-Trade. However we saw an improved performance in the second half, the brand performed well in the Off-Trade, outperforming the competition and growing share across the year to extend our number one value share position ^[2]. Our non-Tonic products and new innovations had another year of strong growth, broadening our appeal across more drinking occasions in the UK.

In Europe, as expected revenue improved notably in the second half to end the year flat at constant currency, with sales impacted by the well-publicised poor weather and subdued consumer backdrop. Fever-Tree continued to execute well against the tough backdrop, achieving our highest value share across Europe and extending our position as the number one premium mixer brand across the region ^[3].

In our Rest of the World region, Fever-Tree delivered 22% revenue growth at constant currency, supported by the newly established Fever-Tree Australia business.

Outlook

The strategic partnership with Molson Coors in the US will drive a step change in quality of earnings for the group over the medium-term:

- Molson Coors' operational expertise and scale, alongside royalty guarantees over the initial period of the partnership, significantly de-risks the US profitability profile for Fever-Tree
- Fever-Tree's US working capital requirements will materially reduce over time, improving the Group's cash generation, creating incremental firepower to drive the global opportunity for the brand, alongside the potential for further shareholder distributions

Over the initial period of the partnership we will be investing for growth, as we transition our existing US set-up and upweight marketing spend behind the brand, followed by an acceleration in revenue and profit growth thereafter:

- As we establish the partnership in the US this year, it is prudent to expect low single digit Group revenue growth for 2025 alongside a short-term EBITDA impact as we transition the business
- We are confident of delivering double digit Group revenue and EBITDA growth in 2026, alongside a significant step-up in US marketing spend
- We expect a sustained uplift in Group revenue and EBITDA growth in the medium term as we fully realise the benefit in the US of Molson Coors' distribution platform, operational scale and expertise, and investments behind the brand

The above guidance reflects our intention to report Group revenue on an adjusted basis, which incorporates US Fever-Tree brand revenue, and therefore is on a consistent basis with historic revenue reporting.

Ends

For further information:

Fever-Tree

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Molson Coors Beverage Company

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About Fever-Tree:

Fever-Tree is the world's leading supplier of premium carbonated mixers for alcoholic spirits by retail sales value, with distribution to over 90 countries worldwide. Based in the UK, the brand was launched in 2005 to provide high quality mixers which could cater to the growing demand for premium spirits, in particular gin, but also increasingly for vodka, rum and whisky. The Company sells a range of carbonated mixers to hotels, restaurants, bars and cafes ("On Trade") as well as selected retail outlets ("Off Trade").

About Molson Coors Beverage Company:

For more than two centuries, Molson Coors has brewed beverages that unite people for all life's moments. From Coors Light, Miller Lite, Molson Canadian, Carling, Madri Excepcional and Staropramen to Coors Banquet, Blue Moon, Simply Spiked, ZOA Energy, Creemore Springs and more, Molson Coors produces some of the most beloved and iconic brands ever made. While the company's history is rooted in beer, Molson Coors offers a modern portfolio that expands beyond the beer aisle with energy drinks, bottled spirits, cider and more. To learn more about Molson Coors Beverage Company, visit molsoncoors.com.

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

Forward-looking statements

This Announcement may contain certain statements about the future outlook for Fever-Tree. Although the directors believe their expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

Additional information

This Announcement is made for information purposes only and does not constitute an offer to sell or issue or solicitation to buy, subscribe for or otherwise acquire shares in Fevertree Drinks plc in any jurisdiction in which any such offer or solicitation would be unlawful.

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[1] 2024 Nielsen

[2] IRI 2024

[3] 2024 Nielsen top 12 EU markets (BE, NL, FR, SP, IT, AT, CH, DK, RO, NO, SE, DE)

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