RNS Number : 9600B
Fevertree Drinks PLC
25 March 2025

# Fevertree Drinks plc

FY24 Preliminary Results to 31 December 2024

## Financial Highlights

- Fever-Tree brand revenue growth accelerated to 7%[1] in the second half to deliver 4%[1] growth for the full year.
- Strong US growth of 12%[1], with value share gains across key categories, including Ginger Beer and Tonic.
- Significant gross margin improvement of 540bps, resulting in a 66% increase in Adjusted EBITDA to £50.7 million, in-line with expectations.
- Fever-Tree recognised £5.0 million in exceptional items in the period relating to the transition to the Molson Coors partnership.
- Strong working capital improvement, contributing to £96 million net cash, a 60% increase year-on-year.
- Recommending a final dividend of 11.12 pence per share, an increase of 2% year-on-year.
- Extending the buyback programme by an additional £29 million, resulting in up to £100 million to be returned to shareholders over FY25.

| £m | FY24 | FY23 | *Change* | *Constant currency change* |
|---|---|---|---|---|
| Revenue | | | | |
| UK | 111.1 | 114.8 | *(3)%* | |
| 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** | **364.0** | **353.6** | ***3%*** | ***4%*** |
| | | | | |
| GDP brand revenue | 4.5 | 10.8 | | |
| **Total Group revenue** | **368.5** | **364.4** | ***1%*** | ***3%*** |
| | | | | |
| **Gross profit** | **138.4** | **117.0** | ***18%*** | |
| *Gross margin* | *37.5%* | *32.1%* | *540bps* | |
| | | | | |
| **Adjusted EBITDA[2]** | **50.7** | **30.5** | ***66%*** | |
| *Adjusted EBITDA margin* | *13.7%* | *8.4%* | *530bps* | |
| | | | | |
| Diluted EPS (pence per share) | 20.85 | 13.18 | *58%* | |
| Normalised EPS (pence per share) | 28.01 | 15.37 | *82%* | |
| | | | | |
| Ordinary Dividend (pence per share) | 16.97 | 16.64 | *2%* | |
| | | | | |
| Net cash | 96.0 | 59.9 | *60%* | |

## FY24 strategic highlights

- The brand continues to outperform our competitors across our key markets.
  - In the US, Fever-Tree has extended its leadership position in the Ginger Beer and Tonic Water categories to 32% and 27% respectively[3].
  - We remain the clear market leader in the UK, outperforming the mixer category at retail in 2024[4], despite well documented industry headwinds.
  - In Europe, the brand gained value share of the total mixer category, as well as extending its strong lead as the largest premium mixer brand[5].
  - The brand continues to diversify its portfolio to cater to a broader range of adult drinking occasions, with our non-Tonic products performing strongly and now comprising c.45% of our global sales, growing by 21% CAGR over the last 5 years.

## New strategic partnership announced with Molson Coors in the US post-year end

- On 30th January 2025, Fever-Tree entered into a long-term strategic partnership with Molson Coors based on a shared vision, belief and commitment to step-change Fever-Tree's growth in the US.

- The agreement provides Molson Coors with the exclusive sales, distribution and production rights for the Fever-Tree brand in the US, for an agreed period. Fever-Tree retains full control of brand identity, vision and the development of new products for the US market.
- Molson Coors' scale and expertise accelerates Fever-Tree's ability to capture the sizeable total addressable market across alcohol and non-alcohol categories in the US.
- The growth opportunity for the brand will be supported by a significant upweighting in marketing investment.
- The 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 over time.
- Whilst only a few weeks have passed since the announcement, sales momentum has remained strong and good initial progress has been made, and we look forward to embedding the partnership and working with Molson Coors in the coming months to fully transition Fever-Tree into their business.

## FY25 outlook and guidance:

Following the announcement of Fever-Tree's strategic partnership with Molson Coors in the US, the Group expects to deliver strong Group revenue and EBITDA growth over the medium-term. As highlighted at the time of the announcement, FY25 will be a transition year for the US business and therefore we are comfortable with consensus expectations of low single digit Group revenue growth and c.12% Group Adjusted EBITDA margin.

## Tim Warrillow, Co-Founder and CEO of Fever-Tree, commented:

*"The Fever-Tree brand performed well in 2024, despite the subdued consumer environment. Across every key region, we are gaining market share, with more consumers discovering, enjoying, and becoming loyal to Fever-Tree each year across a growing variety of drinking occasions. This was particularly noticeable in our largest region, the US, where once again the brand grew strongly and well ahead of the market.*

*Our growing market share continues to be driven by our deep understanding of global drinking trends allowing us to make the most of evolving consumer preferences. As a result, non-Tonic products now make up c.45% of our global revenues, driven by the success of our Ginger Beer and our expanding position in cocktail mixers and adult soft drinks.*

*Looking to the future, our focus remains on unlocking Fever-Tree's long-term potential across the world and capitalising on the unique position the brand has established sitting across alcohol and non-alcohol occasions.*

*A landmark moment in this journey came just after year-end with the announcement of our most significant strategic step to date: a transformative partnership with Molson Coors in the US. This collaboration marks a step change for our presence in the world's largest premium drinks market. Molson Coors' powerful network of US distributors across both on and off-trade, combined with their dedicated, national salesforce and deep customer relationships creates the ideal platform to maximise our brand strength and future potential across both alcohol and non-alcoholic occasions."*

There will be a live audio webcast on Tuesday 25th March 2025 at 10:00am GMT which can be accessed below:
Fever-Tree FY24 Results webcast

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## FY24 Group Performance

The Group delivered another strong brand performance in 2024, despite the continued macro challenges, as discretionary spend remained subdued and the inflationary environment continued to be a headwind for both costs and consumer sentiment spend remained subdued and the inflationary environment continued to be a headwind for both costs and consumer sentiment. Notwithstanding these headwinds, the Group delivered revenue of £368.5m, representing a 3% increase year-on-year at constant currency as we continued to gain market share in all our key markets, especially in the US; our largest market and the one that presents the most exciting near-term opportunity for the Group.

The brand's performance against the competition has been strengthened by our unrivalled knowledge of consumer drinking preferences globally, which guides our innovation as we diversify the portfolio to cater to evolving consumer trends across drinks categories. Consequently, non-Tonic products now comprise over c.45% of global revenues, driven by strong growth of Ginger Beer and our growing position in cocktail mixers and adult soft drinks. 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.

As well as our drive to extend our global footprint and brand strength, the business has also been focused on cost mitigation and operational efficiency programmes, which along with the softening of significant cost headwinds, has meant that we delivered 540bps of gross margin improvement during the year, primarily from lower glass costs and trans-Atlantic freight rates. Going forward, while not immune to external headwinds, the operational progress that the team has made will ensure that the business is much more resilient and has the ability to deliver further gross margin improvement in the years ahead.

The primary focus of the management team has always been the substantial long-term opportunity we believe the brand has around the world and, in the period just after the year-end, we announced our most significant strategic step to-date: A new strategic partnership with Molson Coors in the US. The business is incredibly excited about this transformational partnership, which will be discussed in more detail in the section below about the US market.

## Strategic update I Fever-Tree continues to outperform the competitor set across key markets

| **Revenue, £m** | **FY24** | **FY23** | ***Change*** | ***Constant currency*** |
|---|---|---|---|---|
| UK | 111.1 | 114.8 | *(3)%* | |
| US | 128.0 | 117.0 | *9%* | *12%* |
| Europe Fever-Tree brand revenue | 92.7 | 94.6 | *(2)%* | *0%* |
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| | | | | |
| GDP brand revenue | 4.5 | 10.8 | | |
| **Total** | **368.5** | **364.4** | ***1%*** | ***3%*** |

## US I Strong growth and a significant new partnership announcement post-year end

The brand had another successful year in the US despite a more subdued spirit environment, delivering revenue of £128.0m, which represents 9% growth (12% at constant currency).

In the Off-Trade channel, which accounts for c.75% of our US sales, Fever-Tree grew its market share of the total mixer category and extended its market leading value share in both the Tonic and Ginger Beer categories, with 27% and 32% value share respectively[3]. In addition, we continue to contribute more than any other brand to the growth of the Grapefruit and Club Soda categories in the US, and our Margarita and Bloody Mary cocktail mixers have also started to make notable share gains.

Overall, our performance has outpaced all of our competitors, premium or mainstream. Our total Off-Trade sales grew by 15% and we are now over four times larger than our nearest premium competitor at US retail[3], driven by our increasing rate-of-sale and distribution gains, with Fever-Tree products now present in almost 35,000 Off-Trade accounts.

The brand is also gaining further traction and presence in the On-Trade, and is now in over 40,000 accounts, an increase of 14% year-on-year, securing new accounts across a range of On-Trade chains, including Courtyard by Marriott, Benihana and Logans Roadhouse. Fever-Tree is also appearing on more menus, and we continue to use this important channel to activate our new products and create more awareness and excitement behind the brand.

Innovation has always been at the heart of the Fever-Tree business and as we have developed our business globally we have become more focused on ensuring we tailor our innovation to local drinking trends and behaviours. This year we have focused on our new cocktail mixer range and have won significant distribution for our Margarita and Bloody Mary cocktail mixers both of which are significant categories in the US. We also launched our Espresso Martini cocktail mixer in Q4, which is one of the fastest growing cocktails across the US market and as a result the launch got a lot of initial traction following an exciting launch event just ahead of the holiday season.

By far the most significant strategic step we have taken in the US market was announced just after the period-end: A long-term strategic partnership with Molson Coors for the exclusive sales, distribution and production of the Fever-Tree brand in the US.

This partnership will enable the brand to benefit from the unique scale and muscle of Molson Coors' national network of US distributors and customers across both the On- and Off-Trade. In addition, we will benefit from their very strong and deep customer relationships, merchandising capability and their production and supply chain network, expertise and economies of scale. Crucially, both companies are strongly aligned in their ambition for the Fever-Tree brand, with a shared vision and commitment to driving the opportunity across both alcohol and non-alcohol occasions. This includes the deployment of a substantial incremental marketing fund to provide further firepower for growth.

This is a considerable milestone for the US business. The brand was already in a fantastic position, and we now believe that we have entered a new transformational phase for the brand's development, to drive our core opportunity within the mixer category to the next level, as well as opening up new opportunities for growth in categories such as adult soft drinks and RTDs.

## UK I Successful portfolio diversification beyond Tonics

Fever-Tree delivered £111.1m revenue in the UK, a decrease of 3% year-on-year following a period impacted by low consumer sentiment, especially in the On-Trade, as well as a declining Gin category. However, the UK economy started to show signs of improvement towards the end of the year, reflected in a much stronger second half performance for the brand, giving us confidence of returning to growth as we go into 2025.

In the Off-Trade, Fever-Tree continued to outperform a declining mixer category, gaining 0.6 ppts value share across the year, extending our number one value share position, while mainstream brands lost share to own label[4]. Encouragingly, Fever-Tree gained value share across both Tonics, the most significant part of the mixer category, as well as in mixers outside of Tonics, such as Ginger Ale and Sodas[4], with particularly strong growth of our Pink Grapefruit Soda and new Cocktail Mixers.

The On-Trade channel remained impacted by lower discretionary spend, which led to declines in both the spirit and mixer categories during 2024. Although Fever-Tree was not immune to these impacts, the brand remained the mixer of choice for bars, pubs and restaurants across the country by a significant margin, finishing the year with a value share of 1.6 times our nearest competitor[6].

While the Gin & Tonic remains a popular serve in the UK, Gin declines over the last few years have made the growth of our non-Tonic mixer categories even more important as we increasingly cater to the wider spirit category. We have been extremely pleased with our progress in developing, listing and building awareness for our non-Tonic products, with another year of strong growth, which means they now represent almost 30% of our UK sales, up from 10% in 2019.

One of our most recent product additions, Pink Grapefruit Soda, had a particularly strong year, with sales growth of c.50% during 2024, capitalising on the increasingly popularity of premium Tequila and the Paloma serve.

Our Cocktail Mixers have also been gaining good traction in the UK, supported by a multi-channel marketing campaign focusing on premium ingredients, great taste, and demonstrating the simplicity of making more complex cocktails, such as Margaritas and Mojitos. We have now gained >8,000 points of distribution at UK retail, more than double the amount we had at the end of last year, as well as listings in >2,000 On-Trade accounts as we expand our offering into an even greater number of drinking occasions.

In addition, our Adult Soft Drink range has increased in sales value by 8.4% year-on-year, as we continue to use the brand's strong credentials as a sophisticated non-alcoholic option for consumers. Our recently introduced 4x250ml can pack in the Off-Trade has already achieved a strong rate-of-sale, reaffirming our belief that Fever-Tree is perfectly positioned to extend our range beyond mixers into Adult Soft Drinks.

Importantly, despite another tough macro backdrop, the brand continues to be the mixer of choice in the UK, with a higher value share than any other brand by a significant margin, as well as being purchased by more households.

## Europe I Extending the brand's premium leadership position

Fever-Tree brand revenue (excluding the revenue we get from GDP's distributed brands) was £92.7m, which was flat year-on-year at constant currency. Total reported European revenue declined due to the consolidation of non-Fever-Tree brands distributed by GDP in Germany.

Importantly, underlying brand revenue increased by 1%, which was a good result given the weak consumer environment and adverse weather conditions across the region. The brand performed well in our high-growth markets, including Italy and France, which was partially offset by tougher conditions across central Europe, including Germany.

Fever-Tree also performed well against the competition at retail, growing value share of total mixers by 0.6 ppts and our share of premium mixers by 1.9 ppts as we continue to outperform and drive growth of the category[5]. Consequently, we finished the year with our highest ever value share of the total mixer category, at 15.8%[5], with good gains in products like Ginger beer and Pink Grapefruit as we diversify our offering beyond Tonics.

Ginger Beer remains our stand-out performer. We have been consistently driving significant share gains in this category and now hold almost 39% value share across the region, an increase of 3.4 percentage points year-on-year[5].

The On-Trade channel has been more exposed to consumer sentiment, however, Fever-Tree extended its distribution across our key markets, with notable account gains in Italy (+8% year-on-year), The Netherlands (+5%) and Belgium (+8%), setting the brand up for good growth in 2025.

Our marketing efforts during 2024 have been focused on our high-growth markets, where we have used both above and below the line campaigns. We have utilised a broad range of channels, including an out-of-home and digital campaign in France, and a social media and digital campaign in Italy, both of which resulted in record levels of brand awareness in those markets.

Finally, we continue to focus on innovation and portfolio extensions, launching adult soft drinks with the introduction of 250ml cans of Ginger Beer and Pink Grapefruit, extending our distribution in Belgium and The Netherlands in locations such as petrol stations, convenience stores and travel retail. As part of this launch, the brand has made very good progress in Switzerland with Selecta, a European leader in vending machines.

Overall, the brand continues to make good progress despite the tough market conditions, as we extend our market share of the total mixer category, alongside driving strong growth from our latest product additions. Our growth accelerated in the second half of the year, giving us confidence that performance will improve as consumer sentiment recovers.

## RoW I Growing ahead of the mixer category in Australia and Canada

Fever-Tree delivered revenues of £32.2m in our Rest of the World Region, an increase of 19% year-on-year (22% at constant currency) as we annualised the inventory buy-back during the transition to our new subsidiary set-up in Australia.

In Australia, 2024 marked the first full calendar year since setting up our own subsidiary, with the business now well positioned to accelerate the brand's progress through stronger partnerships with retailers and customers, and greater control of the value chain, from sales to distribution. We are also on-track to commence local production in Australia at the start of 2025.

Supported by the newly established Fever-Tree Australia, the brand continues to deliver good sales growth, as well as gaining share of the mixer category. In the Off-Trade, Fever-Tree sales grew by 9%, with market share gains of 1.4ppts across total mixers as we continue to grow well ahead of the category[7]. The brand also had a strong performance in the On-Trade, driven by strong summer programming, including targeted investment across our core SKUs, with the majority of the growth coming from our soda range.

Our growth in Australia has been supported by several new product launches, notably, 250ml cans of Soda and Ginger Beer designed as a soft drink format, as well as the launch of our cocktail mixers in a number of large liquor chains, including the largest liquor retailer in Australia, which is accelerating the sales growth of our cocktail mixers and helping them to gain traction.

In Canada, Fever-Tree has been the primary driver of category growth over the last year, gaining two percentage points of share during 2024. Our can format is doing particularly well, growing by over 20% in 2024 as we see the popularity of this format increase, and our Sparkling range, including Grapefruit, Sicilian Lemonade and Lime & Yuzu, continues to gain traction as we demonstrate their versatility as both a mixer and an adult soft drink.

The brand also made good progress in the liquor channel, launching our products in LCBO, the world's biggest purchaser of beverage alcohol. This is the first time any mixer or soft drink has been sold in their stores and is a great illustration of the brand's traction in the Canadian market. Fever-Tree is being cross-merchandised with spirits to drive different drinking occasions in over 200 of their stores and we hope to build on this success and extend the brand's coverage to more of their network in the future.

In another first for the Canadian market, we launched The Caesar cocktail mixer, catering to the number one selling cocktail in

Canada, alongside our Margarita and Mojito Mixers, which have already had initial success in the UK and US.

The Fever-Tree brand is now in over 90 markets across the world, most of which where we have first mover advantage and a large number where we see significant opportunity over the long term, from Asia, to South America, and beyond. Japan is a great example of where we have started to execute against the large addressable opportunity and continue to make good progress with Asahi Breweries as our distribution partner. And more broadly across Asia, we remain focused on the high-end On-Trade and spirit partnerships as we seed the brand and ensure Fever-Tree is the mixer of choice across the region.

Overall, I am pleased with our progress of the brand across the Rest of the World region, where we remain uniquely positioned to take advantage of near-term and long-term opportunities.

## Fever-Tree Team

The Group continues to foster a highly engaged workforce, who are proud to work for Fever-Tree.
This year, we have had four main focuses:

1. Learning & Development - A new intranet was launched with mandatory and optional training and learning courses about the business.
2. Engagement & Wellbeing - Each year we refine our calendar of events and resources to enable our team to socialise across departments and get involved in a range of activities from sports clubs to expert speaker events.
3. Diversity & Inclusivity - Alongside our permanent 'Women and Allies' and 'Be Proud' groups, we hosted a number of office events to celebrate different religious and cultural festivals, or mark important occasions.
4. Rewards & Remuneration - We launched 'The Rewards Lounge' where employees can see the benefits package on offer and make it bespoke to their individual needs and wants, including a wellbeing allowance annually for every employee.

As you can see, a lot of emphasis has been placed on maintaining and enhancing the positive culture within the organisation, and this effort was recognised by our team through the internal engagement survey we ran during the year, where c.90% of respondents saying they were enthusiastic about their work and over 90% feeling personally invested in their roles. These scores not only foster a supportive and collaborative environment, but also drive productivity and creative thinking, positioning us for continued success and growth.

## Sustainability

We are driving meaningful action across the ESG spectrum, embedding sustainability and social responsibility at the heart of our business.

Under our Climate branch, we have taken a significant step forward by developing our first net zero roadmap. This builds upon our extensive efforts to map our carbon footprint-both at a corporate level and across our product range-ensuring we have a clear, data-driven path toward reducing our environmental impact.

Within our Communities branch, we continue to champion important causes, including our longstanding support for Malaria No More. Additionally, we have strengthened our commitment to ethical sourcing by updating our Human Rights Charter and engaging directly with our ingredients supply chain partners to reinforce responsible sourcing practices and uphold human rights standards.

By taking action across these critical areas, we are not only strengthening our business but also making a positive and lasting impact on the world around us.

## Summary

The Group is looking forward with renewed excitement about the ever-growing opportunity to grow the brand around the world. Whilst we have continued to solidify our position as the market leader by value in our mature markets, such as the UK and Denmark, we have also continued to set the brand up for success in a number of high potential markets further afield. This has included the successful establishment of our own subsidiary in Australia, good progress in Japan as we solidify our partnership with Asahi, and most significantly beginning our new partnership with Molson Coors in the US just after the year-end.

Our confidence in the long-term opportunity is rooted in the consumer trends that we are seeing globally: Spirits gaining popularity compared to wine and beer, a growing preference for longer and lighter spirit drinks, as well consumers growing desire to socialise with sophisticated non-alcoholic drinks.

And we believe that when it comes to every one of the evolving consumer trends outlined, we are best placed to satisfy these new and evolving expectations. As not only do we have the broadest distribution of any premium mixer brand globally, but our range of mixers is unmatched, and we have recently developed products and formats to meet the growing desire for low alcoholic and non-alcoholic drinks.

This is why Fever-Tree continues to outperform the category and gain share across our key markets with the brand growing in strength around the world. Alongside our focus on the brand and topline growth, the business will continue to deliver margin improvement across our non-US regions across 2025 and 2026, before driving Group margin expansion from 2027 as our new US partnership starts to benefit from significant economies of scale. We will also continue to invest behind the brand to make the most of the growing opportunity that lies ahead, with an upweighted marketing budget in the US for the next few years. This is underpinned by our balance sheet which, following the Molson Coors partnership, is stronger than ever, allowing us to invest for growth, as well as increased opportunities to return cash to shareholders.

## Finance review

The Group delivered 4% year-on-year growth in Fever-Tree brand revenue at constant currency against a challenging trading backdrop.

The brand performed strongly in the US and Rest of the World (ROW) markets, with constant currency revenue growth of 12% and 22%, respectively. In the US, Fever-Tree grew market share against the competition and extended its number one position in the Tonic and Ginger Beer categories, while the ROW market benefited from the successful establishment of the Fever-Tree Australia subsidiary operation. In the UK and Europe, whilst performance was impacted by a subdued category backdrop and adverse weather, the Group continued to make strategic progress, launching new products, driving growth across its non-tonic portfolio and maintaining its leadership position in premium mixers.

Building on the proactive steps that have been taken over recent years, the Group delivered a strong recovery in gross margin in 2024, improving by 540 basis points to 37.5% (2023: 32.1%), while operating expenditure remained consistent at 23.8% of Group revenue (2023: 23.7%). After recognition of £5.0 million of exceptional items, the Group delivered a 66.0% increase in adjusted EBITDA to £50.7m (2023: £30.5m) and an improvement in adjusted EBITDA margin to 13.7% (2023: 8.4%).

Working capital management was a key focus in 2024 as we looked to leverage our global operations technology programme. Working capital improved to 20.3% of revenue (2023: 28.5%), delivering a significant increase in operating cash flow conversion to 149.8% (2023: 15.2%). As a result, cash held increased by 60.2% to £96.0 million (2023: £59.9 million). As a reflection of continued confidence in the strength of the Group's balance sheet, the Board recommends a final dividend of 11.12 pence per share, an increase of 2.0% year-on-year.

We are confident that the improvements we continue to drive in our global supply chain capability, procurement processes and operating business models are combining to forge a stronger, more resilient operating platform for the Group that will not only help to mitigate the on-going challenges of macroeconomic and geopolitical volatility, but also deliver further margin recovery over time, and most importantly, allow us to capitalise on the global potential of the brand in years to come.

Further to this, the post period end announcement of the strategic partnership with Molson Coors in the US will allow the Group to leverage the expertise, scale and total beverage ambition of Molson Coors to deliver against an ever-broadening opportunity for Fever-Tree in our key growth market. The partnership also provides the platform for upweighted US brand investment in the near term and strong margin improvement in the medium term as production is on-shored, all underscored by a reduction in the working capital required to deliver the US opportunity, which will now be funded by Molson Coors.

This exciting development for the Group is testament to the value of the Fever-Tree brand and its increasing relevance to both alcohol and non- alcoholic occasions in regions across the globe. It is a reminder of the versatility and cash-generative nature of our asset-light outsourced business model and underscores the importance of our committed strategy to prioritise innovation, investment and long term stewardship of the brand whilst navigating the volatile macroeconomic and geopolitical environment over recent years.

## Gross Margin

The Group delivered a strong improvement in gross margin in 2024 to 37.5% (2023: 32.1%). This result was testament to work that has been undertaken over several years to drive operational improvements against a backdrop of macroeconomic and geopolitical instability. These initiatives have been delivered across four key areas:

1. Expanding our production footprint: *establishing capacity closer to our key growth markets to minimise transport*

1. Expanding our production footprint: *establishing capacity closer to our key growth markets to minimise transport costs, optimise our inventory holdings and facilitate quicker reactions to market dynamics.*
    - Work performed to bring local Australian production online in 2025.
    - Strategic partnership with Molson Coors announced post period end provides a roadmap to onshoring US production over the medium term and will allow the Group to leverage Molson Coors' operational expertise and significant economies of scale
2. Optimising our existing footprint: *working closely with our current partners to drive efficiency and effectiveness as we manage our complexity*.
    - Leveraged our new technology platform to consolidate volumes across key UK bottling and canning partners, driving improved run sizes and optimised pricing
3. Procurement: *leveraging our global scale, widening and on-shoring our supplier base and ensuring our contracts are calibrated for both the current disruptive environment and our longer term growth as we scale through our regionalised production footprint*.
    - Worked in partnership with our new primary glass supplier following the 2023 tender process to deliver on-going improvements and an effective energy hedging strategy
4. Technology: *underpinning all of the above is a wide-ranging programme to embed technology across our global operations that will give us best in class ways of working, data and insights to manage near term disruption, as well as underpinning our future growth*.
    - Continued to embed technology improvements across global operations to implement best-in-class practices, manage disruptions, improve working capital and underpin future growth.

## Operating expenditure

Adjusted underlying operating expenses rose by 1.4% in 2024 to £87.7 million (2023: £86.5 million), remaining in line with prior years at 23.8% of Group revenue (2023: 23.7%). Marketing spend increased marginally to 9.4% (2023: 9.2%) of brand revenue, whilst staff costs and other overheads were flat as a percentage of revenue at14.8% (2023: 14.8%).

The improvement in gross margin alongside a consistent level of operating expenditure (excluding exceptional items) delivered a strong recovery in adjusted EBITDA margin to 13.7% (2023: 8.4%) and a 66.0% increase in adjusted EBITDA to £50.7 million.

The Group recognised exceptional items of £5.0 million in 2024 (2023: £nil) relating to the US. This includes £4.3 million in costs from winding down the primary US bottling relationship and £0.7 million in advisory fees incurred ahead of announcing the strategic partnership with Molson Coors.

Depreciation charges were £6.5 million (2023: 6.3 million), with amortisation increasing to £3.1 million (2023: £1.7 million) as we began the amortisation of the global operations technology programme and invested in a water licence at our key UK bottling partner, providing access to local spring water. Share based payments rose to £3.3 million (2023: £1.7 million). Following these movements, the Group delivered an 57.1% increase in operating profit, to £32.8 million (2023: £20.8 million).

## Tax

Effective current tax on profits relating to the current period was 25.1% (2023: 18.5%). The balance of the effective tax rate is made up of current tax adjustments relating to prior periods and deferred tax impacts.

## Earnings Per Share

The basic earnings per share are 20.90 pence (2023: 13.20 pence), and diluted earnings per share are 20.85 pence (2023: 13.18 pence).

In order to compare earnings per share year on year, earnings have been adjusted to exclude amortisation and exceptional items. The UK statutory tax rates have been applied to these earnings to calculate a comparable post tax profit.

On this basis, normalised earnings per share for 2024 are 28.01 pence (2023: 15.37 pence), an increase of 82.3% from 2023.

## Balance sheet and working capital

Working capital improvement was a key focus throughout 2024. The most significant improvement came from a decrease in inventory costs to £45.8 million (2023: £67.6 million), driven by inventory management optimisations and a reduction in the cost of inventory held.

Trade and other receivables reduced as a percentage of revenue to £86.1 million (2023: £91.5 million). The ageing profile of trade receivables remained consistent, and the Group continues to manage credit risk closely through proactive customer engagement and appropriate levels of credit insurance. Trade and other payables marginally improved to £57.0 million (2023: £55.3 million).

These improvements drove a significant reduction in net working capital of £28.9 million to £74.9 million (2023: £103.8 million), improving to 20.3% of Group revenue (2023: 28.5%). This improvement, alongside the 66.0% increase in adjusted EBITDA, resulted in cash generated from operations increasing to 149.8% (2023: 15.2%).

## Capital expenditure

Capital expenditure additions were £14.1 million in 2024 (2023: £9.8 million). Tangible fixed asset additions remain low and included investment in reusable packaging in Germany. Intangible asset additions included a water licence of £3.5 million for the provision of new local spring water source at our primary UK bottling partner and expenditures of £7.3 million related to our global operations technology programme and innovation projects. Overall intangible asset additions were £10.8 million (2023: £7.0 million), with capital expenditure expected to reduce in 2025.

## Cash position

The improvement in working capital and increase in adjusted EBITDA led to significant cash generation, resulting in net inflows of £36.1 million and a year-end balance of £96.0 million (2023: £59.9 million), an increase of 60.2% year on year.

The Group's Capital Allocation framework remains unchanged. We intend to retain sufficient cash for investment opportunities, primarily in operational expenditure, including increased marketing spend in growth regions. We are also vigilant regarding 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.

## Dividend

The Group is committed to a progressive dividend policy, recommending a final dividend of 11.12 pence per share for 2024 (2023: 10.90 pence), bringing the total to 16.97 pence (2023: 16.64 pence). If approved at the AGM on 5th of June 2025, the final dividend will be paid on 20th of June 2025 to shareholders on the register on 16th of May 2025.

## Post period events

On January 30, 2025, Fever-Tree and Molson Coors announced a long-term strategic partnership, granting Molson Coors exclusive rights to sell, distribute, and produce the Fever-Tree brand in the United States under a new license agreement starting February 1, 2025.

As part of this collaboration, Molson Coors acquired an 8.5% stake in Fevertree Drinks plc (post-issue) for

consideration of £71.0 million and to assist with the transition of operations, acquired the local trading entity Fevertree USA Inc for consideration of 23.9 million in cash.

Following this announcement, Fever-Tree initiated a share buyback programme in February 2025 of up to £71 million, which we are extending by a further £29 million, subject to shareholder approval at the upcoming AGM, leveraging the Group's strong balance sheet and further improved prospects for cash flow generation resulting from this strategic partnership.

The aforementioned events are non- adjusting events as at 31 December 2024.

**Performance indicators:**

The Group monitors its performance through several key indicators. These are formulated at Board meetings and reviewed at both an operational and Board level. Progress against these key indicators was closely monitored during the year.

Revenue growth %

Group revenue growth was +1.1% in 2024 (2023: +5.8%).

Gross margin %

The Group achieved an adjusted gross margin of 37.5% in 2024 (2023: 32.1%)

The Group achieved an adjusted gross margin of 37.5% in 2024 (2023: 32.1%).

Adjusted EBITDA margin %

The Group achieved an adjusted EBITDA margin of 13.7% in 2024 (2023: 8.4%).

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

| | 2024 £m | 2023 £m |
|---|---|---|
| **Revenue** | **368.5** | **364.4** |
| Cost of sales | (230.1) | (247.4) |
| **Gross profit** | **138.4** | **117.0** |
| Administrative expenses | (105.6) | (96.2) |
| Adjusted EBITDA | **50.7** | **30.5** |
| Depreciation | (6.5) | (6.3) |
| Amortisation | (3.1) | (1.7) |
| Share- based payment charges | (3.3) | (1.7) |
| **Operating profit before exceptional item** | **37.8** | **20.8** |
| Exceptional item | (5.0) | - |
| **Operating profit** | **32.8** | **20.8** |
| Finance income | 3.3 | 2.0 |
| Finance expense | (0.6) | (0.6) |
| **Profit before tax** | **35.5** | **22.2** |
| Tax expense | (11.1) | (6.8) |
| **Profit for the year** | **24.4** | **15.4** |
| Items that may be reclassified to profit or loss | | |
| Foreign currency translation difference of foreign operations | 0.6 | - |
| Effective portion of cash flow hedges | 0.3 | 0.3 |
| Related tax | - | - |
| **Total other comprehensive income** | **0.9** | **0.3** |
| **Total comprehensive income for the year** | **25.3** | **15.7** |
| **Earnings per share** | | |
| Basic (pence) | 20.90 | 13.20 |
| Diluted (pence) | 20.85 | 13.18 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

| | 2024 £m | 2023 £m |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 20.9 | 23.7 |
| Intangible assets | 65.7 | 58.2 |
| Deferred tax asset | 0.5 | 1.7 |
| Other non-current assets | 4.1 | 4.3 |
| **Total non-current assets** | **91.2** | **87.9** |

| | | |
|---|---|---|
| **Current assets** | | |
| Inventories | 45.8 | 67.6 |
| Trade and other receivables | 86.1 | 91.5 |
| Derivative financial instruments | 0.4 | 0.6 |
| Corporation tax asset | 2.4 | 6.2 |
| Cash and cash equivalents | 96.0 | 59.9 |
| **Total current assets** | **230.7** | **225.8** |
| **Total assets** | **321.9** | **313.7** |
| **Current liabilities** | | |
| Trade and other payables | (57.0) | (55.3) |
| Lease liabilities | (3.6) | (3.4) |
| Corporation tax liability | (0.7) | (2.1) |
| Derivative financial instruments | (0.2) | - |
| **Total current liabilities** | **(61.5)** | **(60.8)** |
| **Non-current liabilities** | | |
| Other payables | (0.5) | (0.3) |
| Lease liabilities | (8.5) | (11.8) |
| Deferred tax liability | (4.7) | (3.0) |
| **Total non-current liabilities** | **(13.7)** | **(15.1)** |
| **Total liabilities** | **(75.2)** | **(75.9)** |
| **Net assets** | **246.7** | **237.8** |
| **Equity attributable to equity holders of the company** | | |
| Share capital | 0.3 | 0.3 |
| Share premium | 54.8 | 54.8 |
| Capital redemption reserve | 0.1 | 0.1 |
| Cash flow hedge reserve | 0.1 | (0.2) |
| Translation reserve | 0.3 | (0.3) |
| Retained earnings | 191.1 | 183.1 |
| **Total equity** | **246.7** | **237.8** |

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

| | 2024<br>£m | 2023<br>£m |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | 35.5 | 22.2 |
| Finance expense | 0.6 | 0.6 |
| Finance income | (3.3) | (2.0) |
| Depreciation | 6.5 | 6.3 |
| Amortisation of intangible assets | 3.1 | 1.7 |
| Share based payments | 3.3 | 1.7 |
| (Decrease)/increase in impairment losses on receivables and inventories net of recoveries | (1.0) | 0.5 |
| Net exchange differences | 0.6 | 3.2 |
| | **45.3** | **34.2** |
| Decrease/(increase) in trade and other receivables | 5.0 | (22.3) |
| Decrease/(increase) in inventories | 23.4 | (10.0) |
| Increase in trade and other payables | 1.7 | 4.8 |
| Decrease/(increase) in derivative asset/liability | 0.5 | (2.1) |
| | **30.6** | **(29.6)** |
| **Cash generated from operations** | **75.9** | **4.6** |
| Income taxes paid | (5.7) | (8.4) |
| **Net cash flows generated from/ (used in) operating activities** | **70.2** | **(3.8)** |
| **Investing activities** | | |
| Purchase of property, plant and equipment | (3.3) | (2.6) |
| Interest received | 3.3 | 2.0 |
| Investment in intangible assets | (10.8) | (7.0) |
| **Net cash flows used in investing activities** | **(10.8)** | **(7.6)** |
| **Financing activities** | | |
| Interest paid | (0.1) | (0.1) |

| | | |
|---|---|---|
| Dividends paid | (19.6) | (19.1) |
| Payment of lease liabilities | (3.9) | (4.0) |
| **Net cash flows used in financing activities** | **(23.6)** | **(23.2)** |
| | | |
| **Net decrease in cash and cash equivalents** | **35.8** | **(34.6)** |
| Cash and cash equivalents at beginning of period | 59.9 | 95.3 |
| Effect of movements in exchange rates on cash held | 0.3 | (0.8) |
| **Cash and cash equivalents at end of period** | **96.0** | **59.9** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**1. Basis of Preparation**

The financial information contained in this results announcement has been prepared on the basis of the accounting policies set out in the statutory financial statements for the year ended 31 December 2024. Whilst the financial information included in this announcement has been computed in accordance with the recognition and measurement requirements of UK adopted international accounting standards, this announcement does not itself contain sufficient disclosures to comply with UK adopted international accounting standards.

The financial information set out above does not constitute the company's statutory accounts for 2024 or 2023. Statutory accounts for the years ended 31 December 2024 and 31 December 2023 have been reported on by the Independent Auditor. The Independent Auditor's Report on the Annual Report and Financial Statements for 2024 and 2023 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2023 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar in due course.

New Accounting Policies

The following was a newly adopted accounting policy in the year:

Exceptional Items

In the consolidated financial statement, the Group has elected to disclose 'exceptional items'. Exceptional items are costs and incomes that are judged by management to warrant separate disclosure to improve comparability of financial performance between periods and with other market participants. Exceptional items relate to certain costs or incomes that are significant by virtue of their size and/or nature. In considering the nature of an item, management's assessment includes, both individually and collectively, each of the following:

• whether the item is unrelated to the Group's ordinary course of business;

• the specific circumstances that have led to the item arising; and

• the likelihood of recurrence.

**2. Revenue**

An analysis of turnover by geographical market is given below:

| | 2024<br>£m | 2023<br>£m |
|---|---|---|
| United Kingdom | 111.1 | 114.8 |
| United States of America | 128.0 | 117.0 |
| Europe | 97.2 | 105.4 |
| Rest of the World | 32.2 | 27.2 |
| | **368.5** | **364.4** |

**3. Earnings per share**

| | 2024<br>£m | 2023<br>£m |
|---|---|---|

| | £m | £m |
|---|---|---|
| **Profit** | | |
| Profit used in calculating basic and diluted EPS | 24.4 | 15.4 |
| **Number of shares** | | |
| Weighted average number of shares for the purpose of basic earnings per share | 116,726,190 | 116,632,907 |
| Weighted average number of dilutive employee share options outstanding | 289,183 | 197,351 |
| Weighted average number of shares for the purpose of diluted earnings per share | 117,015,373 | 116,830,258 |
| **Basic earnings per share (pence)** | **20.90** | **13.20** |
| **Diluted earnings per share (pence)** | **20.85** | **13.18** |

| **Normalised EPS** | 2024<br>£m | 2023<br>£m |
|---|---|---|
| **Profit** | | |
| Reported profit before tax | 35.5 | 22.2 |
| **Add back:** | | |
| Amortisation | 3.1 | 1.7 |
| Exceptional Items | 5.0 | - |
| Adjusted profit before tax | 43.6 | 23.9 |
| Tax - assume standard rate (25%) (2023: 25%) | (10.9) | (6) |
| **Normalised earnings** | 32.7 | 17.9 |
| Number of shares | 116,726,190 | 116,632,907 |
| **Normalised basic earnings per share (pence)** | 28.01 | 15.37 |

Normalised EPS is an Alternitive Performance Measure ("AMP") in which earnings have been adjusted to exclude amortization and exceptional items. The UK statutory tax rates in force at the year end 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 and exceptional items. As this is an APM, this may not be comparable to other companies.

**4. Dividends**

Dividends paid:

| | 2024 | 2023 |
|---|---|---|
| In respect of the prior financial year | | |
| Pence per share | 10.90 | 10.68 |
| Total (£m) | 12.7 | 12.5 |
| In respect of the period ended 30 June | | |
| Pence per share | 5.85 | 5.74 |
| Total (£m) | 6.8 | 6.7 |
| **Total paid in the year (£m)** | **19.5** | **19.2** |

The Directors are proposing a final dividend of 11.12 pence per share, totaling £13.0m for 2024. This dividend has not been accrued in the consolidated statement of financial position.

**5. Adjusted EBITDA**

Analysis within this results announcement refers to adjusted EBITDA. The Group believes adjusted EBITDA to be a key indicator of underlying operational performance, adjusting operating profit for exceptional items and several non-cash items. As a consequence of these adjustments, the Group believes that adjusted EBITDA represents normalised operating profits. Adjusted EBITDA for the year ended 31 December 2024 is operating profit of £32.8m before depreciation of £6.5m, amortisation of £3.1m, share based payment charges of £3.3m and exceptional items of £5.0m. Adjusted EBITDA is an appropriate measure since it represents to users a normalised, comparable operating profit, excluding the effects of the accounting estimates, exceptional items 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.

[1] Constant currency

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

[3] Nielsen 52 weeks to 28 Dec 2024

[4] IRI 52 weeks To 22 Dec 2024

[5] Nielsen 2024 top 12 EU markets

[6] CGA MAT to 28 Dec 2024

[7] Australian grocery scanner data MAT to 29 Dec 2024



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