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Period end trading update for the 12 months ended 28 February 2021

C&C Group plc ('C&C' or the 'Group'), a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits and soft drinks across the UK and Ireland, today announces its trading update for the twelve months ended 28 February 2021.

David Forde, C&C Group Chief Executive

"C&C has an inherently strong business model, with admired brands that embody provenance and have a real affinity with their markets, coupled with a leading distribution infrastructure in terms of scale and reach. These are supported by the quality of our people who are dedicated, agile and passionate about our brands. While our ability to trade has been severely restricted in hospitality, our brands have performed strongly in the off-trade. The Group has been working hard to ensure that we are primed and ready to serve our on-trade customers as and when the hospitality sector is allowed to reopen, from a more streamlined base and with new brand partners, in the post pandemic market."

Period in Review

The COVID-19 pandemic has had an unprecedented impact on the broader hospitality sector and C&C specifically, with the last twelve months trading characterised by a series of significant and continuously evolving national lockdowns and regional trading restrictions. As a consequence, C&C has not been in a position to provide guidance on earnings or related measures and formally withdrew guidance on 3 June 2020.

Throughout the pandemic the Group's key priorities have been, and continue to be, to protect all stakeholders and support our customers. This has included: providing a safe, compliant and supportive working environment for all our employees; as well as working with our customers on product ranging, credit terms and order and delivery options in preparation for the eventual reopening of the hospitality sector. Thanks to the collective dedication of all our team, the Group's supply chain and production facilities remain fully operational and we continue to work with our partners to serve our off-trade customers.

The inherent strength of the Group's brand-led distribution model, and the fundamental role the Group occupies in the infrastructure of the UK and Irish drinks market, supported a return to profitability and underlying cash generation during the easing of trade restrictions in July, August and September 2020.

Cost Reduction Initiatives, Liquidity & Net Debt

The Group has taken a series of proactive steps to mitigate, where possible, the negative financial and operational impacts of the COVID-19 pandemic, including:

- Taking action in addressing its fixed cost base with a cost reduction programme expected to deliver annualised savings of €18 million against its pre COVID-19 cost base.
    - The cost programme includes an acceleration in the optimisation of the English and Scottish delivery networks which is scheduled to be completed in Q1 FY22. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, driving on-going efficiencies and in turn enhanced future margins.
- Postponing non-committed capital expenditure, temporary management salary and director fee reductions and significantly reducing discretionary spending.
- Renegotiating the timing of term loan repayment, securing covenant waivers from lenders and diversifying our sources of funding through completion of a €140 million US private placement in March 2020.
- Implementing various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing temporary deferrals with the UK and Irish tax authorities.
- Availing of furlough schemes to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector over the past twelve months.
- Pausing the payment of dividends.

As a consequence, C&C reports liquidity of €315 million[(i)] and pre IFRS 16 net debt of €362 million[(i)] as at 28 February 2021. The movement in liquidity from the previous reported level of €387 million[(i)] on 20 October 2020 constituted: €25 million loan repayment; €11 million repayment of tax deferrals; €42 million outflow from the Rabo debtor securitisation facility; and the remaining movement comprised of other inflows offset by trading cash losses with closure of the on-trade.

Brand-led distribution model

The Group's off-trade volume share in its three core brands have grown over the past twelve months. Tennent's Scottish lager volume share of 26.6%[(ii)] for the twelve month period ended 24 January 2021, represents growth of 1.2 percentage points[(ii)], Bulmers volume share of Irish cider increased to 50.2%[(iii)] representing growth of 3.3 percentage points[(iii)] to the twelve month period ended 31 January 2021 and Magners volume share of apple cider in the UK increased to 9.6%[(ii)] representing growth of 0.3 percentage points[(ii)] to the twelve month period ending 24 January 2021.

The strength of our final mile distribution continues to be reflected through the exclusive distribution deals completed during FY2021, including: extending our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser; Tito's Handmade Vodka in the UK, the #1 selling spirit brand in the USA[(iv)]; and most recently Innis & Gunn, Scotland's #1 craft beer, where C&C received an 8% equity stake at only the cost of nominal share capital, in return for supplying Innis & Gunn with access to the independent free trade in its core markets.

Going forward, the objective is to continue to position C&C as the preeminent brand-led drinks distribution business in the core markets of the UK and Ireland. During FY 2021, C&C divested of the non-core asset, Tipperary Coolers in Ireland for a consideration of €7 million. In addition, C&C announces today the sale of its wholly-owned US subsidiary, Vermont Hard

Cider Company, to Northeast Kingdom Drink Group LLC for a total consideration of $20 million USD, with the transaction due to complete in the coming weeks. The sale is expected to result in a net book profit for C&C. The total net proceeds from these divestments will be applied to reducing net debt.

ESG Commitment

C&C continues its commitment to implement the highest ESG standards across the business. As part of its £7 million investment in packaging equipment, Wellpark brewery is on track to move out of single use plastic during FY 2022. Additionally, plans are being reviewed on the removal of the use of single use plastic at the Clonmel site over the next twelve months. The Group advocates the responsible consumption of the brands we manufacture and distribute, in recognition of this and consumer trends, we have launched Tennent's Light and Zero variants during FY 2021. In addition, an ESG board committee was established during FY 2021, further strengthening our commitment in this area.

Outlook

Notwithstanding the current trading conditions, the Group looks to FY 2022 with increased optimism as continuing progress with COVID-19 vaccine programme is expected to see an eventual easing of on-trade restrictions as laid out by the respective governments across the UK and Ireland. The strength of the Group's business model together with reduced operating costs will support a stronger return to trading cash flows and profitability as and when restrictions ease and the hospitality industry reopens. C&C will announce Preliminary Results for FY21 on 26 May 2021.

ENDS

1. Unaudited numbers
2. IRI, MAT to week ended 24.01.21
3. Nielsen, Volume Share of Cider, Off Trade including Dunnes and Discounters, MAT January 2021
4. Tito's number 1 spirit in USA (IRI Period Ended 04 October 2020)

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About C&C Group plc

C&C Group plc is a leading, vertically integrated premium drinks company which manufactures, markets and distributes branded beer, cider, wine, spirits, and soft drinks across the UK and Ireland.

• C&C Group's portfolio of owned/exclusive brands include: Bulmers, the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of fast-growing, super-premium and craft ciders and beers, such as Heverlee, Menabrea, Five Lamps and Orchard Pig. C&C exports its Magners and Tennent's brands to over 40 countries worldwide.

• C&C Group has owned brand and contract manufacturing/packing operations in Co.Tipperary, Ireland; and Glasgow, Scotland.

• C&C is the No.1 drinks distributor to the UK and Ireland hospitality sectors. Operating under the Matthew Clark, Bibendum, Tennent's and Bulmers Ireland brands, the Group supplies over 35,000 pubs, bars, restaurants and hotels, and is a key route-to-market for major international beverage companies.

• C&C Group also has a minority investment in the Admiral Taverns tenanted pub group, which owns over 1,000 pubs across England & Wales.

C&C Group is a FTSE 250 company headquartered in Dublin and is listed on the London Stock Exchange.

Note regarding forward-looking statements

This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on page 16 of our Interim results for the six months ended 31 August 2020, that could cause actual results to differ materially from those anticipated.