



## Trading Statement

### Return to revenue growth and profitability – ahead of plan

**Dublin, London | 16 September 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 issues a trading statement for the six months ending 31 August 2021 ('H1 FY2022'). This follows the gradual easing of restrictions and phased reopening of the hospitality sector across Ireland and the UK during the period.

FY2022 has delivered a strong return to trading, driven by the gradual easing of on-trade restrictions since April 2021 and boosted further by a strong consumer response; summer of good weather; the European Football Championship and 'staycations'. Despite restrictions impacting indoor and outdoor hospitality in H1 FY2022, the Group is pleased to report an improved performance for the first half of the financial year:

- With indoor and outdoor hospitality open across our core markets for the last five weeks of H1 FY2022, we were pleased to serve 90% of the distribution points in August 2021 versus August 2019.
- Group net revenue<sup>1</sup> in H1 FY2022 is expected to be €657m, compared with €398m in H1 FY2021 and €896m in H1 FY2020 (pre-COVID-19).
- Operating<sup>1,2</sup> profit for H1 FY2022 is expected to be €16m, compared to a loss of €12m in H1 FY2021 and a profit of €66m in H1 FY2020.
- Our off-trade channel has continued to perform well; Bulmers growing its share of cider on an MAT basis versus a year and two years ago<sup>3</sup>. In addition, Tennent's has broadly maintained MAT share versus a year ago and grown share versus two years ago<sup>4</sup>.
- Net Debt<sup>5</sup> of €246m at end of August 2021.

With the gradual easing of restrictions in the UK on-trade from April 2021, the Group returned to profit and underlying cash generation in May 2021, demonstrating the inherent strength of C&C's business model. Trading performance continued to improve from May 2021 and Irish outdoor hospitality reopened from June 2021. Our key distribution businesses, Matthew Clark and Bibendum, returned to profitability in June and remained profitable over the key summer trading period. The Group discontinued the use of government furlough support schemes in June 2021.

As widely publicised, the UK is experiencing a shortage of heavy goods vehicle drivers, however, with the Group's distribution network controlled inhouse, we have been partly insulated and as a consequence have broadly met customer demand through the peak summer trading period. We continue to work closely with our partners to meet the resurgence in demand. The Group is committed to market leading customer service and is taking steps to create capacity and continue to fulfil demand, however, we remain vigilant on the evolving situation.

While there is general upward pressure on input costs and in our distribution business as we manage industry wide capacity constraints, our exposure to commodity inflation is largely mitigated in FY2022 through our long-term supply contracts and partnerships. We remain on track with the initiatives to deliver the €18 million in annualised cost savings announced in May 2021.

Our Brand and System strength have been enhanced in the first half with marketing investment in our core brands of Tennent's, Bulmers and Magners, a key part of our 'Win in Cider' strategy. We have made progress in combining and simplifying our GB businesses, aligning our management structure and creating a change programme for the next 12 months.

**David Forde, Chief Executive Officer of C&C, commented:** *"Despite sector challenges, our business has shown its inherent strength and cash generation capability in the first half of FY2022. As the on-trade has progressively re-opened, we returned to profitability and worked closely with our customers to meet the resurgence in consumer demand. We continue to invest in our brands, most notably with the recent launch of multi-channel advertising campaigns for our iconic Tennent's, Bulmers and Magners brands. Our focus remains on building a better business by further developing our brand and system strength, while continuing to navigate the near-term capacity constraints our industry faces."*

C&C will announce FY2022 first half results on Thursday, 28 October 2021 at which time the Group intends to reinstate guidance.

Footnotes:

1 H1'22 comparative adjusted for constant currency (H1'21 and H1'20 translated at H1'22 F/X rates).

2 Before exceptional items.

3 Nielsen Ireland July 2021, 2020 and 2019.

4 IRI to 8 August 2021 Scotland Off Trade.

5 Net debt, including the impact of IFRS 16 Leases, comprises borrowings (net of issue costs), lease liabilities capitalised less cash.

Note: Numbers presented are unaudited financial information.

**ENDS**

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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 1,600 pubs across England, Scotland and Wales.

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