26th July 2016

Fevertree Drinks plc ("Fever-Tree")

Interim Results

Fever-Tree, the world's leading supplier of premium carbonated mixers, today announces its Interim Results for the period ended 30 June 2016.

Financial Highlights:

- Revenue up 69% to £40.6m (H1 2015: £24.1m)
- Gross margin of 54.8% (H1 2015: 50.5%)
- Adjusted EBITDA[1] up 72% to £12.4m (H1 2015: £7.2m)
- Strong balance sheet with net cash at period end of £18.6m (H1 2015: £7.9m)
- Diluted EPS up 83% to 8.12 pence (H1 2015: 4.44 pence)
- Interim dividend up 97% to 1.54 pence per share (H1 2015: 0.78 pence)

Operational Highlights:

- Strong growth across all regions
- Particularly notable performance within UK Off-Trade complemented by the addition of new distribution in the period
- Successful UK roll-out of the 150ml premium can format including listing of Naturally Light Tonic Water cans with easyJet
- New importers appointed in Spain and Netherlands to position Group for next stage of growth in those territories
- Launch of new bespoke embossed bottles in June 2016, to be rolled out internationally over H2

Post-period Highlight:

- Expanded current distribution of tonic water with British Airways across the entire fleet

Tim Warrillow, CEO of Fever-Tree said:

"We are delighted to report that the Group's strong performance throughout 2015 has continued into the first half of 2016. Growth has continued to come from all of our regions as evidenced by further distribution gains in both the On and Off-Trade, as well as continued underlying sales growth.

"We have made excellent progress in developing the optimum infrastructure, relationships and team to capitalise on the strength of our brand and market leading position as the trend for premium spirits continues to gather momentum across all our key geographies."

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

Fever-Tree will be hosting a pop-up G&T bar located in the heart of the City at Broadgate's Finsbury Avenue Square by Liverpool Street Station on Tuesday 26th July between 12.00 and 22.30. There will be a range of G&Ts to choose from, with Fever-Tree's portfolio of all natural mixers and tonics expertly paired with premium spirits.

For further information:

Fevertree Drinks plc c/o FTI +44 (0)20 3727 1000

Tim Warrillow, Co-founder and CEO

Charles Rolls, Co-founder and Executive Deputy Chairman

Andy Branchflower, Finance Director

FTI Consulting – Financial PR +44 (0)20 3727 1000
Jonathon Brill fever-tree@fticonsulting.com
Oliver Winters
Georgina Goodhew
Tom Hufton

Investec Bank plc – Nominated Adviser and Broker +44 (0)20 7597 4000
Garry Levin
Alex Wright
Matt Lewis
David Anderson

Updated Imagery:

Updated Company imagery can be accessed here - **http://www.fever-tree.com/corporate/image-library**

Notes to Editors:

Fever-Tree is the world's leading supplier of premium carbonated mixers for alcoholic spirits by retail sales value, with distribution to over 50 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 now sells a range of carbonated mixers to hotels, restaurants, bars and cafes ("On-Trade") as well as selected retail outlets ("Off-Trade"). Approximately 65 per cent of the Group's sales were derived from outside of the UK in financial year 2015, with key overseas markets in the US and Europe.

Chief Executive's report

I am delighted to report that the Group's strong performance in 2015 has continued in the first half of 2016. During the period we achieved revenue of £40.6m, representing growth of 69% on the first half of 2015.

Our gross profit margin has improved to 54.8% (H1 2015: 50.5%) and the Group achieved an adjusted EBITDA of £12.4m in the first half of the year (H1 2015: £7.2m), generating diluted earnings per share of 8.12p (H1 2015: 4.44p). We begin the second half of 2016 with a strong balance sheet and net cash of £18.6m (H1 2015: £7.9m).

Results

	Half year ended 30 June 2016 £m	Half year ended 30 June 2015 £m	Movement %
Revenue	40.6	24.1	69%
Gross Profit	22.3	12.1	83%
Gross Profit margin	54.8%	50.5%	
Adjusted EBITDA	12.4	7.2	72%
Adjusted EBITDA margin	30.7%	30.0%	
Diluted EPS	8.12	4.44	83%
Interim Dividend	1.54p	0.78p	97%

Territory review

Revenue by territory

	Half year ended 30 June 2016 £m	Half year ended 30 June 2015 £m	Movement %	Share of revenue %
UK	15.8	7.6	108%	39%
Continental Europe	13.4	9.4	42%	33%
USA	9.2	5.8	59%	23%
RoW	2.2	1.3	73%	5%
Total	40.6	24.1	69%	100%

UK

The UK remains the Group's largest market, increasing to 39% of Group sales with revenue growth of 108% compared to the first half of 2015.

Sales growth remains strong in the On-Trade, where 57% of UK revenue is achieved. This performance was driven by our increasing distribution footprint, combined with underlying rate of sale growth as the premium gin and tonic movement continues to gather momentum across the UK. We have expanded our UK sales team to enable the Group to work more closely with key wholesale partners and focus on a wider geographical area, enabling us to continue to drive our first mover advantage within the market.

Growth was exceptional in the Off-Trade in the first half of 2016. This was helped by momentum from the significant distribution gains made in the second half of 2015, particularly following the launch of the 150ml cans, and complemented by the addition of new distribution in the period, including a listing with Asda. This has combined with continued rate of sale growth to drive the exceptional performance, albeit stronger comparators will be lapped in the second half of 2016.

The success of the 150ml can format since launch in June 2015 is particularly notable, representing 24% of sales in the Off-Trade channel in the first half of 2016. The range has also been extended to include an Elderflower Tonic flavour. Within the travel sector, a successful listing for the Naturally Light 150ml can on easyJet was followed post period end with an expansion of the current distribution of tonic water with British Airways across the entire fleet.

Fever-Tree now represents an 11% value share within the UK retail mixer category, approaching the 16.5% proposed as the target value share benchmark by EY for the entire premium segment in their 2014 study. Whilst it would now appear that this 16.5% value share target is conservative given the continued rise in the premiumisation of spirits, it is also reasonable to expect the exceptional growth rate in UK Off-Trade achieved over the last 18 months to remain strong but to naturally settle to lower levels.

Continental Europe

Revenue growth of 42% was achieved in the period, which represented growth of 33% when adjusted for the strengthening Euro. This result was achieved against tough comparatives, annualising 2015 retail distribution gains and a notable month of sales in June 2015 when certain importers took particularly large orders in advance of the summer season. The Group has appointed new importers in Spain and the Netherlands in the first half of 2016 which has established a strong platform for the next stage of growth in those territories. The strong underlying performance seen across Western Europe in 2015 has continued, with sales growth across all territories, the notable retail listings from 2015 performing well and a number of new retail listings achieved in the period.

USA

Revenue growth of 59% in the period represented growth of 46% when adjusted for the strengthening US dollar. Ginger Beer and Tonic flavours each represent 40% of the sales mix and are growing at 60%, reflecting the on-going opportunities with both the ‘Moscow Mule’ and premium gin and tonic trends. Off-Trade listings achieved in 2015 are performing well and there were further retail distribution gains and range extensions achieved in the period, meaning the Group is well placed to continue delivering good growth in the region.

RoW

Sales to countries within the RoW region have grown by 73%, with Australia and Canada seeing strong On-Trade growth and successful initial Off-Trade listings with major local retailers. The growth in revenue came from our existing geographic footprint where we believe there remains significant potential over the medium and longer term. In addition, we are actively reviewing new territories but no appointments were made in the first half of the period.

Financial and Operational

Gross margin and operating expenses

Gross margin of 54.8% in the period represents an increase from the 50.5% achieved in the first half of 2015. This improvement has been driven by product cost and logistics efficiencies which were achieved in the second half of 2015 and have been retained in 2016. Alongside these underlying efficiencies has been the positive impact of forex movements across the period, with an already stronger Euro and Dollar over the period further strengthening in late June 2016.

Underlying operating expenses[1] increased as a proportion of revenue to 24.2% during the period (H1 2015: 20.4%), however, the EBITDA margin still improved to 30.7% (H1 2015: 30.0%). For the current period underlying operating expenses include an incremental £1.4m unrealised loss made on outstanding forward exchange contracts at June 2016, following the rapid strengthening of Euro and Dollar at the end of that month. Disregarding foreign exchange-related movements, the level of other underlying operating expenses is comparable to the prior period at 21.5% of revenue (H1 2015: 21.5%).

Cash position and working capital

The Group had net cash of £18.6m at period end, with £24.7m of cash at the bank offset by £6.1m of bank loans. Adjusted operating cash flow in the period was strong at 95% of adjusted EBITDA, albeit this conversion rate is influenced by seasonality and is expected to return to levels seen historically as we progress through the remainder of the year.

Operational

In June 2016 the Group introduced a new bespoke embossed bottle in the UK which will be rolled out internationally over the second half of the year. Alongside this, the Group has launched a new Aromatic Tonic Water in the UK and extended the 150ml can range to include Elderflower Tonic Water. Post period end we have launched a new Clementine Tonic Water in Belgium, which was developed in collaboration with the chef Sergio Herman.

The Group’s primary bottling partner in the UK has finalised investment in a new site, which will double their existing capacity from 2017 onwards and further improves production contingency for the Group. The Group now bottles and cans with four partners across the UK and Europe and as per our stated strategy, in the first half of 2016 we have been actively exploring further opportunities to bottle closer to our main sales regions.

Dividend

Reflecting the Board’s continued confidence in the outlook, the Directors are pleased to declare an interim dividend of 1.54 pence per share. The dividend will be paid on 9 September 2016, to shareholders on the register on 12 August 2016.

Outlook

We are encouraged by our performance in the first half of the year and the Board remains positive about the outlook for 2016.

Tim Warrillow
Chief Executive

[1] Underlying operating expenses are defined as administrative expenses less depreciation, amortisation and share based payment charges

Consolidated statement of comprehensive income
For the six months ended 30 June 2016

	Note	Six months ended 30 June 2016 £	Six months ended 30 June 2015 £	Year ended 31 December 2015 £
Revenue	2	40,582,364	24,069,646	59,252,617
Cost of sales		(18,328,176)	(11,921,618)	(28,377,765)
Gross profit		**22,254,188**	**12,148,028**	**30,874,852**
Administrative expenses		(10,383,071)	(5,366,114)	(13,606,120)
Adjusted EBITDA*		**12,441,007**	**7,229,525**	**18,182,469**
Depreciation		(105,288)	(54,985)	(123,924)
Amortisation		(360,000)	(360,000)	(720,000)
Share based payment charges		(104,602)	(32,626)	(69,813)
Operating profit		**11,871,117**	**6,781,914**	**17,268,732**
Finance costs				
Finance income		37,299	5,023	27,970
Finance expense		(111,794)	(193,767)	(536,189)
Profit before tax		**11,796,622**	**6,593,170**	**16,760,513**
Tax expense		(2,366,492)	(1,435,758)	(3,429,730)
Profit for the year/period and comprehensive income attributable to equity holders of the parent company		**9,430,130**	**5,157,412**	**13,330,783**
Earnings per share for profit attributable to the owners of the parent during the year				
Basic (pence)	4	8.18	4.48	11.57
Diluted (pence)	4	8.12	4.44	11.48

***Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share based payment charges and finance costs**

Consolidated statement of financial position
At 30 June 2016

	30 June 2016	30 June 2015	31 December 2015
	£	£	£
Non-current assets			
Property, plant and equipment	770,496	411,164	589,410
Intangible assets	43,490,655	44,210,655	43,850,655
Total non-current assets	**44,261,151**	**44,621,819**	**44,440,065**
Current assets			
Inventories	5,905,188	5,391,968	6,376,673
Trade and other receivables	20,424,129	10,764,817	16,796,154
Derivative financial instruments	260,240	458,054	-
Cash and cash equivalents	24,705,172	13,975,803	17,641,024
Total current assets	**51,294,729**	**30,590,642**	**40,813,851**
Total assets	**95,555,880**	**75,212,461**	**85,253,916**
Current liabilities			
Trade and other payables	10,674,805	6,983,416	9,256,511
Derivative financial instruments	1,680,564	-	267,718
Loans and borrowings	-	634,784	936,086
Corporation tax liability	2,284,925	1,413,894	1,642,096
Total current liabilities	**14,640,294**	**9,032,094**	**12,102,411**
Non-current liabilities			
Loans and borrowings	6,089,369	5,461,339	5,137,500
Deferred tax liability	2,518,959	2,607,661	2,590,959
Total non-current liabilities	**8,608,328**	**8,069,000**	**7,728,459**
Total liabilities	**23,248,622**	**17,101,094**	**19,830,870**
Net assets	**72,307,258**	**58,111,367**	**65,423,046**
Equity attributable to equity holders of the company			
Share capital	288,102	288,102	288,102
Share premium	53,521,386	53,521,386	53,521,386
Capital Redemption Reserve	93,189	93,189	93,189
Retained earnings	18,404,581	4,208,690	11,520,369
Total equity	**72,307,258**	**58,111,367**	**65,423,046**

Consolidated statement of cash flows
For the six months ended 30 June 2016

	Period ended 30 June 2016	Period ended 30 June 2015	Year ended 31 December 2015
	£	£	£
Operating activities			
Profit before tax	11,796,622	6,593,170	16,760,513
Finance expense	111,794	193,767	536,189
Finance income	(37,299)	(5,023)	(27,970)
Depreciation of property, plant and equipment	105,288	54,985	123,925
Amortisation of intangible assets	360,000	360,000	720,000
Share based payments	104,602	32,626	69,813
	12,441,007	7,229,525	18,182,470
(Increase)/Decrease in trade and other receivables	(3,888,215)	(2,829,534)	(8,405,952)
(Increase)/Decrease in inventories	471,485	(1,045,800)	(2,030,505)
Increase/(Decrease) in trade and other payables	2,831,140	2,595,918	5,143,693
	(585,590)	(1,279,416)	(5,292,764)
Cash generated from operations	**11,855,417**	**5,950,109**	**12,889,706**
Income taxes paid	(1,787,986)	(752,469)	(2,534,707)
Net cash flows from operating activities	**10,067,431**	**5,197,640**	**10,354,999**
Investing activities			
Purchase of property, plant and equipment	(286,372)	(114,450)	(361,635)
Net cash used in investing activities	**(286,372)**	**(114,450)**	**(361,635)**
Financing activities			
Interest (paid)	(103,669)	(152,893)	(294,021)
Interest received	37,299	7,916	27,970
Loans repaid	-	(200,000)	(425,000)
Dividends paid	(2,650,541)	(345,723)	(1,244,602)
Net cash used in financing activities	**(2,716,911)**	**(690,700)**	**(1,935,653)**
Net increase in cash and cash equivalents	7,064,148	4,392,490	8,057,711
Cash and cash equivalents at beginning of period	17,641,024	9,583,313	9,583,313
Cash and cash equivalents at end of period	**24,705,172**	**13,975,803**	**17,641,024**

Notes to the consolidated financial statements
For the six months ended 30 June 2016

1. Basis for preparation

The interim financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the European Union.

The accounts have been prepared in accordance with accounting policies that are consistent with the December 2015 Report and Accounts and that are expected to be applied in the Report and Accounts of the year ended 31 December 2015. There are new or revised standards or interpretations that apply to the period beginning 1 January 2016 but they do not have a material effect on the financial statements for the period ended 30 June 2016.

This report is not prepared in accordance with IAS 34, which is not mandatory. 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 2015 have been delivered to the Registrar of Companies. The auditors' 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.

2. Revenue

An analysis of turnover by geographical market is given below:

	Six months ended 30 June 2016 £	Six months ended 30 June 2015 £	Year ended 31 December 2015 £
United Kingdom	15,797,208	7,590,177	20,460,667
Continental Europe	13,367,379	9,408,768	22,360,850
United States of America	9,237,070	5,809,368	13,690,012
Rest of the World	2,180,707	1,261,333	2,741,088
	40,582,364	24,069,646	59,252,617

3. Dividends

The interim dividend of 1.54p will be paid on 9 September 2016 to shareholders on the register on 12 August 2016.

4. Earnings Per Share

	Six months ended 30 June 2016 £	Six months ended 30 June 2015 £	Year ended 31 December 2015 £
Profit			
Profit used in calculating basic and diluted EPS	9,430,130	5,157,412	13,330,783
Number of shares			
Weighted average number of shares for the purpose of basic earnings per share	115,240,896	115,240,896	115,240,896

Weighted average number of employee share options outstanding	938,112	842,531	853,692
Weighted average number of shares for the purpose of diluted earnings per share	116,179,008	116,083,427	116,094,588
Basic earnings per share (pence)	8.18	4.48	11.57
Diluted earnings per share (pence)	8.12	4.44	11.48