

Britvic PLC

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Price hikes offset fall in drinks volumes as Britvic's first-half profits pop higher

First-half profits at Britvic Plc (LON:BVIC) fizzed higher despite a drop in the amount of soft drinks it managed to sell in the period.

Profit increased by 4.8% to £34.9m in the six months ended 14 April, while revenue rose by a similar percentage to £769.2m.

READ: Britvic shares touch all-time highs as annual profits rise

Growth came from charging higher prices rather than selling more of its range of drinks, which include Robinsons fruit squash, Fruit Shoot and J2O.

Britvic, which is the UK's largest supplier of soft drinks, only sold 1.19bn litres of drinks in the six months, compared with 1.24bn litres in the same period of last year.

Bosses said that reflected stockpiling by customers ahead of the 'sugar tax', which came into force last April and served to hike the price of full-sugar beverages.

Still, the FTSE 250 group said it had been a net beneficiary of the levy, driving consumers towards sugar-free versions of its Tango and R Whites drinks. Sales of Pepsi Max, which Britvic has the licence to produce and sell in the UK, also rose in the period.

Sugar tax drives customers to low-sugar drinks

"I am pleased to report that we have delivered another strong performance in the first half of the year," said chief executive

"We have grown organic brand contribution in all our markets and increased group revenue, organic margin and adjusted earnings per share.

"As we anticipated, the soft drinks levy has benefited our portfolio, accelerating the consumer trend towards our heartland of low and no sugar brands."

Having opened lower, Britvic shares were broadly flat at 937p in early deals on Wednesday.

Price: 820

Market Cap: £2.19 billion

1 Year Share Price Graph



Share Information

Code: BVIC

Listing: LSE

52 week High Low
959 536

Sector: Food & drink

Website: www.britvic.com

Company Synopsis:

Britvic is a United Kingdom-based manufacturer and distributor of soft drinks. The Company's portfolio of brands includes names, such as 7UP, Ame, Britvic 55, J2O, drench, Gatorade, Idris, Pennine Spring, Pepsi, Purdey's, Red Devil, Shandy Bass, Tango and Lime Grove.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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