



# Q4 and FY 2021 results

Refresco Group B.V.



Press release

# Refresco reports Q4 and FY 2021 results

**Rotterdam, the Netherlands – February 24, 2022.** Refresco today reports results for the fourth quarter and full year 2021 of Refresco Group B.V.<sup>1</sup>

## Q4 2021 Highlights

- Total volume was 2,843 million liters (Q4 2020: 2,787 million liters).
- Adjusted EBITDA amounted to €131 million (Q4 2020: €122 million).

## FY 2021 Highlights

- Total volume increased by 1.9% to 11,905 million liters (FY 2020: 11,679 million liters).
- Adjusted EBITDA increased by 9.6% and amounted to €564 million (FY 2020: €514 million).
- Cash and cash equivalents at the end of Q4 2021 were €487 million (December 31, 2020: €412 million).
- Announced the acquisition of HANSA-HEEMANN, a major German mineral water and CSD company, on July 8, 2021, with transaction completed on January 31, 2022.
- Announced an agreement with The Coca-Cola Company to acquire three of its production locations in the US on August 3, 2021, with Truesdale (Missouri) completed on October 29, 2021, Waco (Texas) completed on January 28, 2022, and Paw Paw (Michigan) scheduled to be completed in the first quarter of 2022.

In millions of €, unless stated otherwise (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Volume (millions of liters)	2,843	2,787	11,905	11,679
Adjusted EBITDA	131	122	564	514
Net profit / (loss)	0	(15)	61	(28)
Adjusted net profit / (loss)	10	(11)	85	5
Net debt			2,636	2,648

## Volume and revenue by location of sales

In Q4 2021, total Group volume was 2,843 million liters, an increase of 2.0% compared to last year's result (Q4 2020: 2,787 million liters). Overall volume increased in North America, mainly driven by volumes for Global, National and Emerging ("GNE") brands, whereas volume in Europe slightly declined, largely driven by the UK.

For the Full Year 2021, volume increased by 1.9% to 11,905 million liters compared to last year (2020: 11,679 million liters). Volume in North America increased by 3.0% and Europe increased volume by 1.3%, mainly driven by expansion of contract manufacturing for GNE brands.

Volume in million liters (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Europe	1,683	1,704	7,210	7,121
North America	1,160	1,084	4,695	4,558
<b>Total Group</b>	<b>2,843</b>	<b>2,787</b>	<b>11,905</b>	<b>11,679</b>

<sup>1</sup> All values are rounded to the nearest million unless stated otherwise.

For the full year 2021, volumes for Retailer brands still account for the largest part of our business (62.8% in 2021, compared to 66.1% in 2020). However, volumes for GNE brands increased to 37.2% in FY 2021, compared to 33.9% FY 2020, mainly by growing with existing customers.

Retailer brands and GNE brands as a % of total volume (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Retailer brands	62.1%	65.5%	62.8%	66.1%
GNE brands	37.9%	34.5%	37.2%	33.9%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Revenue in Q4 2021 increased by 6.7% to €1,047 million compared to €981 million in Q4 2020<sup>2</sup>, reflecting higher volumes and increases in input costs. Revenues can fluctuate significantly due to changes in input costs.

Revenue in millions of € (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Europe	609	610	2,518	2,421
North America	438	371	1,722	1,621
<b>Total Group</b>	<b>1,047</b>	<b>981</b>	<b>4,241</b>	<b>4,042</b>

## Reconciliation of operating profit to adjusted EBITDA

Operating profit in Q4 2021 was €26 million compared to €42 million in Q4 2020.

Adjusted EBITDA showed an increase to €131 million in Q4 2021 compared to €122 million in Q4 2020, with the increase mainly driven by higher volumes. The full year 2021 Adjusted EBITDA amounted to €564 million, an increase of 9.6% versus FY 2020 (€514 million).

In millions of € (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Operating profit / (loss)	<b>26</b>	<b>42</b>	<b>211</b>	<b>175</b>
Depreciation	48	45	178	170
Amortization of intangible assets	19	6	53	42
Depreciation - IFRS 16	26	24	90	84
<b>EBITDA</b>	<b>118</b>	<b>117</b>	<b>532</b>	<b>472</b>
Covid-19	0	1	3	9
Acquisition costs	7	4	10	6
Impairments	2	2	2	13
Other	3	(2)	17	15
<b>Adjusted EBITDA</b>	<b>131</b>	<b>122</b>	<b>564</b>	<b>514</b>

## Finance expenses and tax

Net finance costs for the fourth quarter of 2021 were €28 million compared to €47 million in the same period last year. This decrease was mainly due to currency translation effects, the conversion of the shareholder loan, and lower margin on the Term Loan B due to the lower net debt ratio.

Net finance costs, excluding IFRS 16 effects, for the full year 2021 amounted to €109 million (FY 2020: €159 million).

Income tax expense for the full year 2021 amounted to €27 million, compared to income tax expense of €31 million in FY 2020.

<sup>2</sup> Reclassification between revenue and materials have been made over Q4 and FY 2020, and Q4 and FY 2021

In millions of € (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
Net finance costs	(28)	(47)	(122)	(172)
Finance expense - IFRS 16	(3)	(3)	(13)	(14)
<b>Net finance costs excl. IFRS 16</b>	<b>(24)</b>	<b>(44)</b>	<b>(109)</b>	<b>(159)</b>

### Reconciliation of profit/(loss) to adjusted net profit

Net profit in Q4 2021 amounted to €0 million compared to a net loss of €15 million in Q4 2020. Adjusted for the effect of Covid-19, other one-off costs and gains and impairments, net profit stood at €10 million in Q4 2021 (Q4 2020: net loss of €11 million). Adjusted net profit for the full year 2021 amounted to €85 million, compared to adjusted net profit of €5 million in FY 2020.

In millions of € (unaudited)	Q4 2021	Q4 2020	YTD 2021	YTD 2020
<b>Profit / (Loss)</b>	<b>0</b>	<b>(15)</b>	<b>61</b>	<b>(28)</b>
Covid-19	0	1	3	9
Acquisition costs	7	4	10	6
Impairments	2	2	2	13
Other	3	(2)	17	15
Tax effect	(3)	(1)	(8)	(10)
<b>Adjusted net profit / (loss)</b>	<b>10</b>	<b>(11)</b>	<b>85</b>	<b>5</b>

### Balance sheet and financial position

Balance sheet total assets amounted to €5,433 million as at December 31, 2021 (December 31, 2020: €5,159 million). This increase is primarily due to acquisitions in combination with the increase in cash position. Total non-current assets amounted to €3,973 million as at December 31, 2021 (December 31, 2020: €3,806 million). Total intangible assets amounted to €2,214 million (FY 2020: €2,217 million).

Cash and cash equivalents at the end of Q4 2021 were €487 million, compared to €412 million at the end of Q4 2020. Our cash position continued to be strong throughout the year, supported by the Company's off-balance factoring facility as entered into on April 1, 2021.

Net debt at the end of Q4 2021 amounted to €2,636 million (FY 2020: €2,648 million) consisting of €2,726 million in loans and borrowings, €23 million capitalized finance costs, a €420 million impact of IFRS 16 Leases, and €487 million in cash and cash equivalents.

### Capex

Total capital expenditure spending was €265 million (FY 2020: €192 million), mainly related to investment in (additional) production capabilities to facilitate organic growth.

## Subsequent events

### Closing the transaction of acquiring Coca-Cola's Waco facility

On January 31, 2022, we have closed the transaction of the Waco (Texas) production facility, as part of the agreement to acquire three production facilities in the US from The Coca-Cola Company as announced on August 3, 2021.

### Refresco completes strategic acquisition of HANSA-HEEMANN, a major mineral water and CSD company in Germany

On February 1, 2022, Refresco announced the completion of the acquisition of HANSA-HEEMANN, following the receipt of regulatory approval from competition authorities. Refresco announced that it had entered into an agreement with HANSA-HEEMANN to acquire its five production sites in Germany on July 8, 2021.

### Refresco Announces Confidential Submission of Draft Registration Statement Related to Proposed Public Offering in the US

On February 15, 2022, Refresco announced that the Company confidentially submitted a draft registration statement on Form F-1 with the Securities and Exchange Commission (the "SEC") relating to the proposed initial public offering in the United States of the Class A ordinary shares of its parent company, Sunshine Equity B.V.

### KKR to Acquire Majority Stake in Refresco

On February 22, 2022, Refresco and KKR, a leading global investment firm, announced that KKR has signed a definitive agreement to acquire a majority stake in Refresco, with Refresco's existing investors, PAI Partners and British Columbia Investment Management Corporation ("BCI"), maintaining a significant minority position.

### Bondholder call & webcast

Today at 15:00 CET, Refresco will host a call and audio webcast for bondholders.

The dial-in numbers are as follows:

NL +31 (0)20 703 8218

UK +44 (0)330 336 9601

US +1 646 828 8073

Confirmation code: 9288915

You can access the audio webcast via <https://www.refresco.com/en/investors/reports-and-presentations>.

A replay of the call will be available by the end of the day.

### Financial calendar 2022

Publication Q1 2022 results: May 5, 2022

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## About Refresco

Refresco is the global independent beverage solutions provider for Global, National and Emerging brands, and retailers with production in Europe and North America. The company has full year volumes and revenue of circa 12 billion liters and circa €4.1 billion, respectively. Refresco offers an extensive range of product and packaging combinations from 100% fruit juices to carbonated soft drinks and mineral waters in carton, PET, Aseptic PET, cans and glass. Focused on innovation, Refresco continuously searches for new and alternative ways to improve the quality of its products and packaging combinations in line with consumer and customer demand, environmental responsibilities and market demand. Refresco is headquartered in Rotterdam, the Netherlands and has more than 10,000 employees. [www.refresco.com](http://www.refresco.com)

## Notes to the press release

Unless otherwise stated, the consolidated financial information in this document comprise the consolidated financial information of Refresco Group B.V.

This press release has not been audited.

The consolidated financial statements are presented in millions of euros and all values are rounded to the nearest million unless otherwise stated. As a consequence, rounded amounts may not add up to the rounded total in all cases. Change percentages and totals are calculated before rounding.

Refresco Group B.V. prepares its financial reports in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS). For the principles of financial reporting reference is made to the 2020 financial statements of Refresco Group B.V.

This report was prepared in accordance with the indenture dated April 23, 2018 governing the Senior Notes.

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## Consolidated income statement

In millions of €	Q4 2021 (unaudited)	Q4 2020 (unaudited)	YTD 2021 (unaudited)	YTD 2020 (audited)
<b>Revenue<sup>3</sup></b>	<b>1,047</b>	<b>981</b>	<b>4,241</b>	<b>4,042</b>
Other income	3	6	3	9
Raw materials and consumables used	(558)	(519)	(2,237)	(2,163)
Employee benefits expenses	(166)	(150)	(647)	(601)
Depreciation, amortization and impairment	(95)	(77)	(324)	(309)
Other operating expenses	(205)	(200)	(825)	(803)
<b>Operating profit / (loss)</b>	<b>26</b>	<b>42</b>	<b>211</b>	<b>175</b>
Finance income	0	0	1	2
Finance expense	(28)	(47)	(123)	(174)
<b>Net finance costs</b>	<b>(28)</b>	<b>(47)</b>	<b>(122)</b>	<b>(172)</b>
<b>Profit / (loss) before income tax</b>	<b>(2)</b>	<b>(5)</b>	<b>89</b>	<b>3</b>
Income tax (expense) / benefit	2	(10)	(27)	(31)
<b>Profit / (loss)</b>	<b>0</b>	<b>(15)</b>	<b>61</b>	<b>(28)</b>
<b>Profit / (loss) attributable to:</b>				
Owners of the Company	(2)	(18)	52	(37)
Non-controlling interest	2	3	9	9
<b>Profit / (loss)</b>	<b>0</b>	<b>(15)</b>	<b>61</b>	<b>(28)</b>

<sup>3</sup> Reclassification between revenue and materials have been made over Q4 and FY 2020, and Q4 and FY 2021.

## Consolidated balance sheet

In millions of € <sup>4</sup>	31 December 2021 (unaudited)	31 December 2020 (audited)
<b>Non-current assets</b>		
Property, plant and equipment	1,348	1,177
Right-of-use assets	398	402
Goodwill	1,783	1,783
Brands and customer contracts	410	421
Other intangible assets	21	14
Non-current financial assets	11	9
Deferred income tax	2	0
<b>Total non-current assets</b>	<b>3,973</b>	<b>3,806</b>
<b>Current assets</b>		
Inventories	481	363
Derivative financial instruments	2	1
Current income tax receivable	3	3
Trade and other receivables	485	574
Cash and cash equivalents	487	412
Assets classified as held for sale	2	0
<b>Total current assets</b>	<b>1,460</b>	<b>1,353</b>
<b>Total assets</b>	<b>5,433</b>	<b>5,159</b>
<b>Equity attributable to equity holders of the Company</b>	<b>953</b>	<b>868</b>
Non-controlling interests	7	6
<b>Total equity</b>	<b>960</b>	<b>874</b>
<b>Non-current liabilities</b>		
Loans and borrowings	2,698	2,637
Lease liability	303	318
Derivative financial instruments	14	39
Contract liability	14	10
Employee benefits provisions	57	65
Other provisions	66	26
Deferred income tax	117	94
<b>Total non-current liabilities</b>	<b>3,270</b>	<b>3,189</b>
<b>Current liabilities</b>		
Loans and borrowings	4	3
Lease liability	117	103
Derivative financial instruments	-	4
Trade and other payables	1,055	954
Current income tax liabilities	8	16
Contract liability	5	7
Other provisions	14	9
<b>Total current liabilities</b>	<b>1,203</b>	<b>1,096</b>
<b>Total equity and liabilities</b>	<b>5,433</b>	<b>5,159</b>

<sup>4</sup> Preliminary Purchase Price Allocation (PPA) included in the figures.

## Consolidated cash flow statement

In millions of €	Q4 2021 (unaudited)	Q4 2020 (unaudited)	YTD 2021 (unaudited)	YTD 2020 (audited)
<b>Profit/(loss) after tax</b>	<b>0</b>	<b>(15)</b>	<b>61</b>	<b>(28)</b>
Adjustments for:				
Depreciation, amortization and impairments	95	76	324	309
Net change in fair value derivative financial instruments	(0)	1	(2)	(1)
Other net finance costs	28	47	122	173
Other income	(3)	(9)	(3)	(9)
Income tax expense / (benefit)	(2)	10	27	31
Movement in employee benefit provisions and other provisions	1	2	(3)	9
<b>Cash flow from operating activities before changes in working capital</b>	<b>118</b>	<b>113</b>	<b>527</b>	<b>484</b>
Changes in inventories	(33)	(3)	(98)	18
Changes in trade and other receivables	37	35	127	(52)
Changes in trade and other payables	(8)	(42)	43	156
Move provision in working capital	(11)	-	0	(2)
<b>Total change in working capital</b>	<b>(15)</b>	<b>(11)</b>	<b>73</b>	<b>120</b>
Prepayments received from customers	2	10	4	10
Interest received	0	0	1	2
Income taxes received / (paid)	(4)	(2)	(22)	(16)
<b>Net cash generated from operating activities</b>	<b>102</b>	<b>110</b>	<b>583</b>	<b>600</b>
<b>Cash flows from investing and acquisition activities</b>				
Purchase of property, plant and equipment	(53)	(60)	(240)	(194)
Proceeds from disposals of property, plant and equipment	1	5	3	6
Purchased and internally developed intangible assets	(7)	(3)	(12)	(7)
Purchase of other non-current financial assets	(0)	(0)	(1)	0
Proceeds non-current financial assets	0	-	1	0
Acquisition of subsidiary, net of cash acquired	(25)	(6)	(43)	(140)
<b>Net cash (used in) / from investing and acquisition activities</b>	<b>(84)</b>	<b>(64)</b>	<b>(292)</b>	<b>(335)</b>
<b>Cash flows from financing activities</b>				
Dividend payment	(3)	(2)	(10)	(8)
Proceeds from loans and borrowings	-	0	-	136
Interest paid (including capitalized finance costs)	(36)	(32)	(120)	(130)
Repayment of loans and borrowings	(2)	0	(11)	(10)
Payments interest portion leases	(3)	(3)	(13)	(14)
Payments principal portion leases	(23)	(21)	(89)	(77)
<b>Net cash (used in) / from financing activities</b>	<b>(68)</b>	<b>(57)</b>	<b>(243)</b>	<b>(103)</b>
<b>Movement in cash and cash equivalents</b>	<b>(50)</b>	<b>(12)</b>	<b>48</b>	<b>162</b>
Translation adjustment	11	(22)	27	(33)
<b>Cash movement</b>	<b>(39)</b>	<b>(34)</b>	<b>75</b>	<b>129</b>
Cash and cash equivalents beginning period	526	446	412	283
Bank overdraft at beginning	-	-	-	-
Cash and cash equivalents ending period	487	412	487	412
Bank overdraft at end	-	-	-	-
<b>Cash movement</b>	<b>(39)</b>	<b>(34)</b>	<b>75</b>	<b>129</b>

## Information about Sunshine Mid B.V. ("the Issuer")

Sunshine Mid B.V. was incorporated on October 20, 2017 and it is domiciled in Amsterdam, the Netherlands. For the acquisition of Refresco Group the Issuer has received a share capital contribution of €1,006 million (2020: €1,006 million).