

# Q4 and FY 2013 results

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# Solid performance improvement despite weak markets

## Fourth quarter

- Revenue and volume increases of 21.9% and 13.0%, respectively.
- On like-for-like basis\* revenue and volume were broadly in line with Q4 2012.
- Gross profit margin per litre increased to 12.7 euro cents compared to 11.7 euro cents in Q4 2012 on both actual and like-for-like basis.
- Adjusted EBITDA improvement of €9.7 million or 47.1%. Gerber Emig added €2.1 million to the adjusted EBITDA.
- Continued strong cash position at €85.5 million.

# Solid performance improvement despite weak markets

## Full year 2013

- Full year revenue and volume were up 3.2% and 2.2%, respectively.
- On like-for-like basis\* revenue and volume declined 1.6% and 0.8% reflecting change in product mix towards value for money products and weak private label performance in some countries.
- Full year adjusted EBITDA totaled €139.7 million, an improvement of €24.2 million or 20.9% on 2012 reflecting our strategy to focus on better contributing volumes and cost control, as well as some relief in raw and packaging material prices.
- Operating costs fell by €4.0 million on a like-for-like basis, a result of our rightsizing initiatives. If we exclude one-time costs related to the merger and Gerber Emig's last seven weeks of the year, we would have recorded a positive net result.

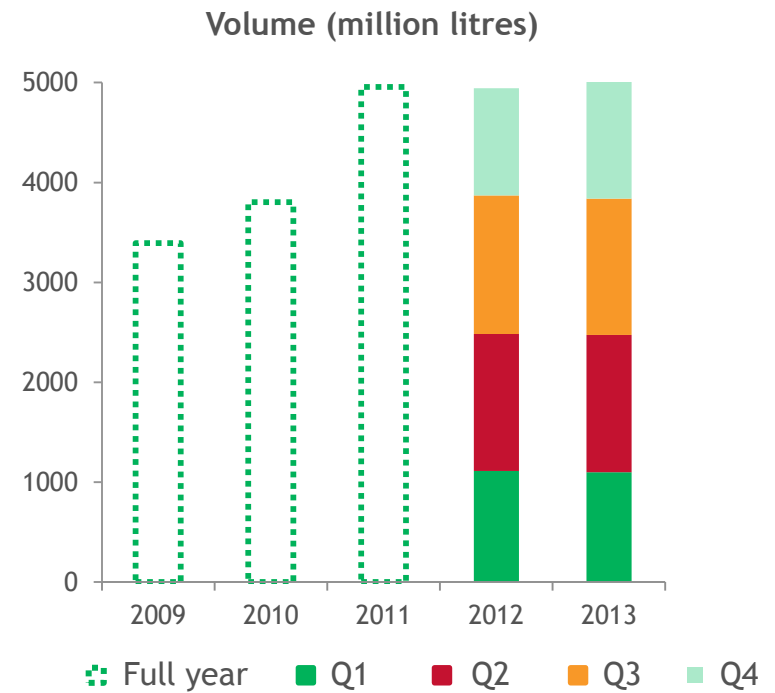
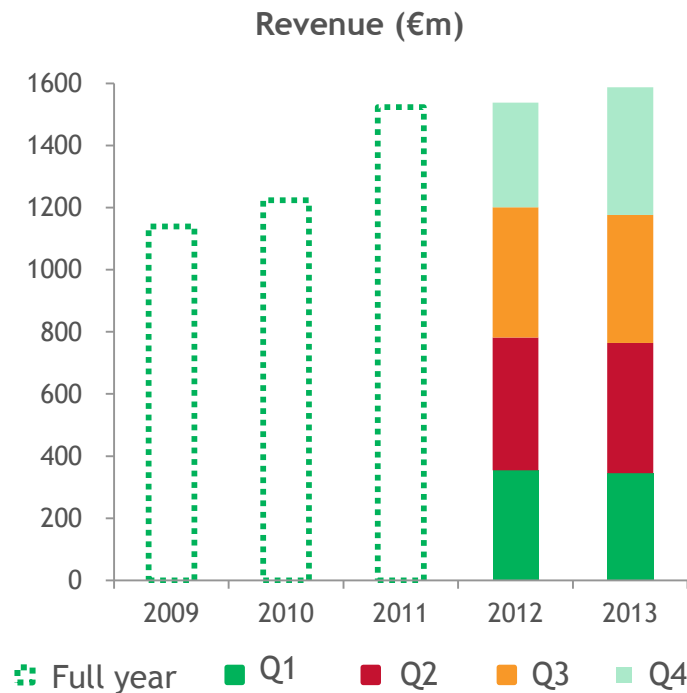
\* Excluding Gerber Emig's seven last weeks of the year.

# General market remarks 2013

✓	Continued fragile economic environment in Europe
✓	In general raw material and packaging material prices remain stable, although recent developments have resulted in slight decrease in pricing of certain raw materials and packaging materials
✓	Ongoing trend towards value for money products
✓	Heavy promotions by A-brands at retail channel
✓	Private label market share growth is slowing down

# Q4 revenue and volume increases of 21.9% and 13.0%, respectively

- We recorded revenue increase of 21.9%. On like-for-like basis\* revenue increased by 0.1%. This like-for-like increase is a combination of 0.9% increase in revenue from higher average selling prices offset by a volume decrease of 0.8%.
- The total soft drinks market volume in Western Europe decreased by 0.3% in Q4 2013 compared to Q4 2012\*\*.

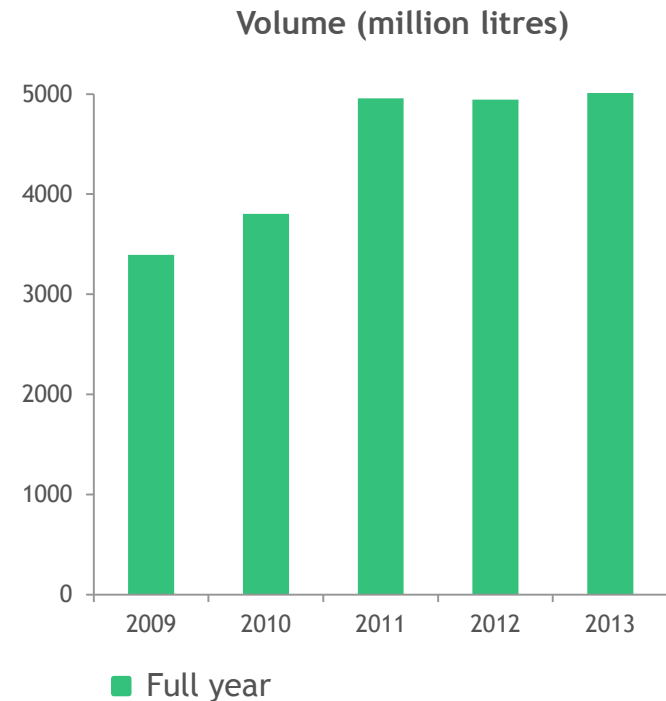
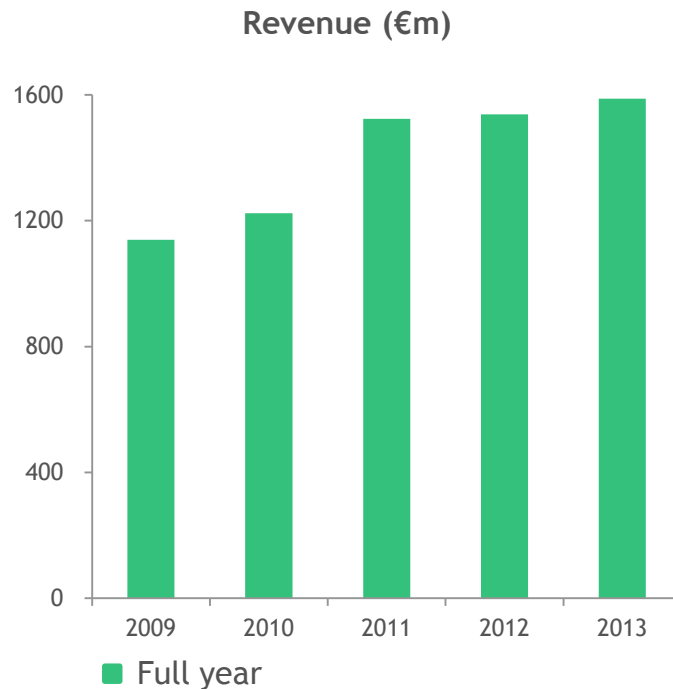


\* Excluding Gerber Emig's seven last weeks of the year.

\*\* Canadian Quarterly Beverage Tracker West Europe Fourth Quarter 2013

# Full year revenue and volume were up 3.2% and 2.2%, respectively

- Our full year 2013 revenue increased by 3.2%. On like-for-like basis\* revenue decreased by 1.6% which was a combined effect of 0.8% price decrease mainly due to changes in product mix towards more value for money products and a volume decline of 0.8%.
- The total soft drinks market volume in Western Europe decreased by 1.3% in 2013 compared to 2012\*\*.



\* Excluding Gerber Emig's seven last weeks of the year.

\*\* Canadean Quarterly Beverage Tracker West Europe Fourth Quarter 2013



# Revenue by location of sales

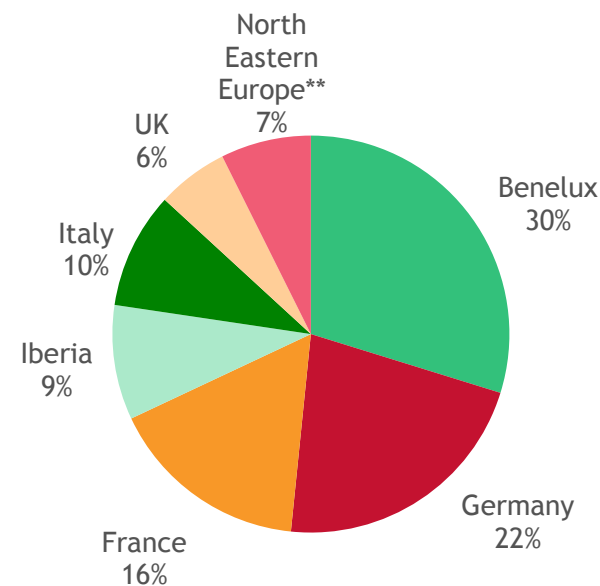
## Fourth quarter\*

(€m)	2013	2012
Benelux	103.1	105.4
Germany	91.1	77.2
France	64.1	53.7
Iberia	34.9	34.5
Italy	30.4	29.5
UK	54.5	13.0
North Eastern Europe**	32.9	23.8
<b>Total revenue</b>	<b>411.0</b>	<b>337.1</b>

## Full year\*

(€m)	2013	2012
Benelux	472.9	467.2
Germany	346.4	337.0
France	260.4	246.0
Iberia	148.3	179.6
Italy	150.5	153.0
UK	92.2	53.3
North Eastern Europe**	116.9	102.2
<b>Total revenue</b>	<b>1,587.6</b>	<b>1,538.3</b>

2013 reported revenue\* per location of sales



\* Gerber Emig is included for the period between November 12, 2013 and December 31, 2013.  
 \*\* Poland and Finland.

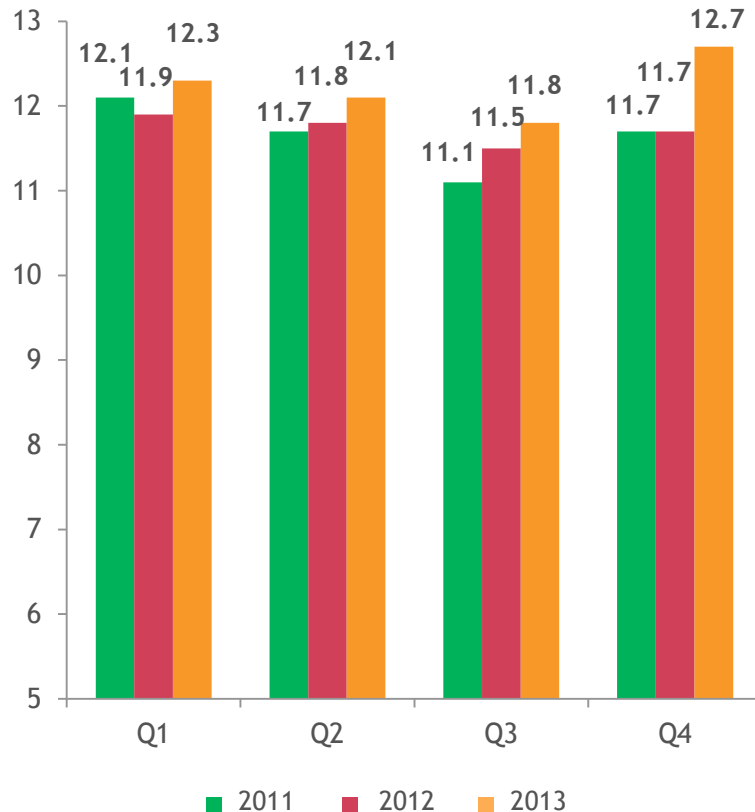
# Key financial indicators

(€m)	Q4		Full year	
	2013	2012	2013	2012
Revenue	411.0	337.1	1,587.6	1,538.3
Sales in litres, millions of litres	1,214.2	1,074.5	5,054.0	4,943.9
Margin per litre, euro cents	12.7	11.7	12.2	11.7
Adjusted EBITDA	30.3	20.6	139.7	115.5
Merger and restructuring costs	(19.8)	(3.1)	(29.0)	(6.9)
Operating profit / (loss)	(24.1)	(2.4)	24.4	35.2
Net profit / (loss)	(35.7)	(13.2)	(28.9)	(18.2)
Cash and cash equivalents at the end of the period	85.5	95.3	85.5	95.3

The 2012 figures have not been restated to reflect the change in accounting principle for IAS 19 Revised

# Improved margin development

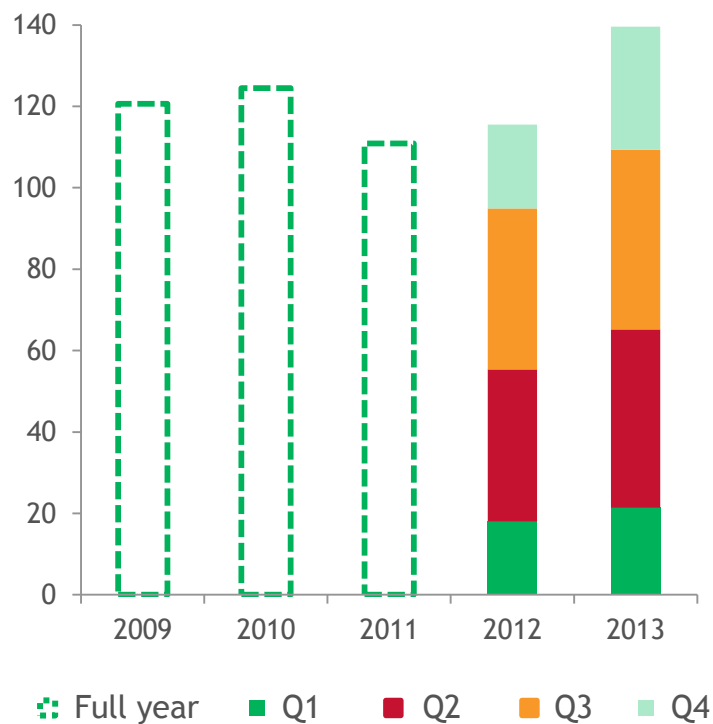
Gross profit margin per litre 2011 - Q4 2013 (euro cents)



- Gross profit margin per litre increased to 12.7 euro cents on both actual and on like-for-like basis.
- Margin improvement reflects recent contract renewals and some softening in raw material and packaging material prices.

# Profitability development

Adjusted EBITDA (€m)



Reconciliation of operating profit to adjusted EBITDA

(€m)	Q4 2013	Q4 2012	Full year 2013	Full year 2012
Operating profit / (loss)	(24.1)	(2.4)	24.4	35.2
Depreciation, amortization and impairment costs	34.5	19.9	86.3	73.4
<b>EBITDA</b>	<b>10.4</b>	<b>17.5</b>	<b>110.7</b>	<b>108.6</b>
Acquisition/merger costs	4.6	1.8	9.4	2.1
Costs refinancing	0.0	0.0	0.0	0.3
Fair value adjustment inventory	5.0	0.0	5.0	0.0
Restructuring cost	10.2	1.1	14.2	4.5
Other	0.0	0.2	0.4	0.0
<b>Adjusted EBITDA</b>	<b>30.3</b>	<b>20.6</b>	<b>139.7</b>	<b>115.5</b>

The 2012 figures have not been restated to reflect the change in accounting principle for IAS 19 Revised.

# Merger effects on full year 2013

Gerber Emig PF information*(€m)	Nov 11,2013 - Dec 31,2013	Full year 2013
Revenue	73.4	725.1
Adjusted EBITDA**	2.1	29.6
Net profit / (loss)	(1.3)	(0.2)

One-time costs related to the merger (€m)	Full year 2013
Fair value adjustment inventory	5.0
Integration organizations in the UK, Germany and France	5.5
Closure of Refresco's UK manufacturing site in Durham	4.7
Acquisition / merger costs	9.4
Accelerated depreciation related to Durham manufacturing site	9.4
Write-off of deferred tax asset	2.6
	<b>36.6</b>

\* This unaudited pro forma financial information is for informational purposes only and should not be considered indicative of actual results that would have been achieved had the transactions actually occurred on the date or for the period presented, and does not purport to indicate pro forma combined balance sheet data or pro forma combined income statement data as of any future date or for any future period. There can be no assurance that the assumptions used in the preparation of the unaudited pro forma combined financial information will prove to be correct.

\*\* Adjusted EBITDA includes Gerber Emig's manufacturing site in Waibstadt Germany. The merger was approved by the European Competition Commission subject to the divestment of the Waibstadt manufacturing site. The sale is expected to take place in the second quarter of 2014.

# Cash flow statement

€m	Three months ended December 31		Full year	
	2013	2012	2013	2012
Operating profit / (loss)	(24.1)	(2.4)	24.4	35.2
Net cash flow from operating activities	23.1	27.0	70.1	49.6
Net cash flows from investing activities	(148.3)	(11.4)	(172.6)	(43.8)
Net cash flows from financing activities	97.5	(0.6)	95.5	(2.8)
Translation adjustment	(0.4)	1.7	(0.8)	2.7
Movement in cash and cash equivalents	(28.1)	16.7	(9.8)	5.7

- Change in net cash flows from investing activities is mainly related to the refinancing of Gerber Emig debt.
- Capex spending for the full year 2013 was €47.7m compared to € 43.5m in 2012.
- Working capital decreased by €9.0 million on a like-for-like basis.

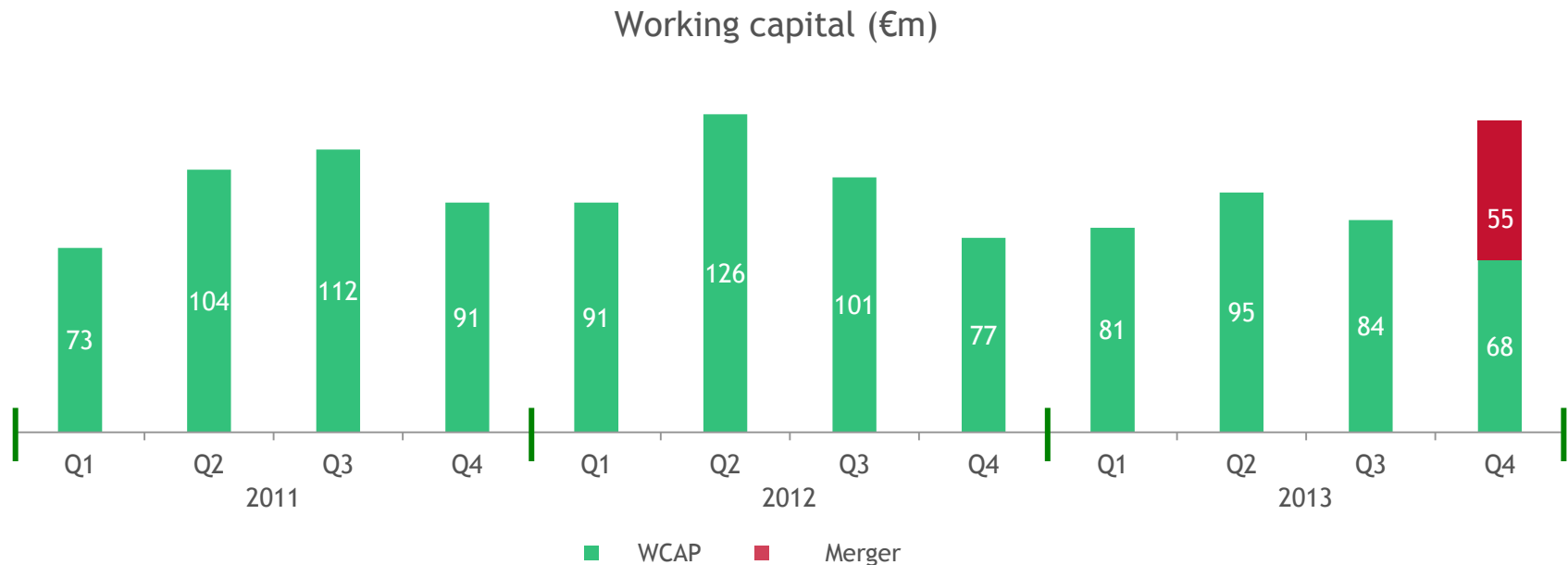
# Balance sheet

	December 31	
(€m)	2013	2012
Total assets	1,621.9	1,206.3
Total non-current liabilities	847.7	708.5
Total current liabilities	456.3	333.1
Total equity	317.9	164.7
Cash and cash equivalents	85.5	95.3

- Liquidity on December 31, 2013:
  - Cash €85.5m
  - Undrawn Revolving Credit Facility €50.0m
- The decrease in cash and cash equivalents relates to cash used for the merger partly compensated by higher cash flow from operations and lower working capital.
- Strong equity position at €317.9m

# Working capital

- Working capital decreased by €9.0 million on like-for-like basis in Q4 2013 compared to Q4 2012.
- Working capital management continues to be a key area of attention.
- Working capital is funded from cash with a possibility to use €50.0 million Revolving Credit Facility as a back up option.





# Integration update

- Sales process of Waibstadt manufacturing site continues
- Durham activities transferred to Bridgwater
- Integration of the Holding Offices in Rotterdam concluded
- Synergies are on track
- Employee roadshow completed

# Summary

- Solid performance improvement in our underlying business despite weak market conditions in Europe.
- Improvement driven by successful implementation of our strategy to focus on better contributing volumes and cost control, as well as some relief in raw and packaging material prices.
- The merger of Refresco and Gerber Emig was a major milestone in our strategy of expansion as a pan-European bottler of soft drinks and fruit juices serving both retail and branded customers.
- Looking into 2014, we are confident that our cost base is sustainable and we expect Refresco Gerber to be able to maintain its current margin levels. Volume development in the overall soft drinks and juice market is more uncertain.
- Overall, we expect upward trends in 2014 revenue and volumes as well as an increase in adjusted EBITDA as a consequence of both the merger and organic growth.

# Q&A

# IR Calendar and contacts



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## Coming events

**Refresco Gerber Annual Report 2013**  
Week 16, 2014

**Q1 2014 Refresco Gerber result**  
Thursday, May 22, 2014  
Investor Conference Call at 15.00 CET

\*To join quarterly conference calls, please register with  
Minna Lyijynen by email [minna.lyijynen@refrescogerber.com](mailto:minna.lyijynen@refrescogerber.com).



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